

29 January 2021

## Monthly Employment and Unemployment Estimates

December 2020

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**In November, the employed population increased by 0.4%, the unemployment rate decreased by 0.4 percentage points and the labour underutilisation decreased by 0.9 percentage points**

### November 2020 – definitive estimates:

- The employed population has increased by 0.4% from the previous month and by 1.8% from three months before, but it has decreased by 1.1% from the same month of 2019<sup>1</sup>.
- The unemployed population has decreased by 4.7% from October 2020 and by 10.9% from August of the same year, having increased by 6.3% from November 2019.
- The unemployment rate (concept of the International Labour Organization, ILO) stood at 7.1%, 0.4 percentage points (pp) less than in the previous month and 1.0 pp less than in three months before and 0.4 pp more than in the same month of the previous year.
- The labour underutilisation rate<sup>2</sup> was estimated at 14.0%, down 0.9 pp from the previous month, down 1.5 pp from three months before and up 1.5 pp from a year earlier.
- The monthly decrease of the labour underutilisation rate in this month was due the decrease of all of its indicators; specially the unemployed population (4.7%) and the number of underemployed part-time workers (8.6%).

### December 2020 – provisional estimates:

- The employed population has decreased by 0.2% from the previous month and by 1.1% from the same month of 2019, having increased by 0.9% from three months before.
- The unemployed population has decreased by 10.2% from November 2020, by 18.7% from September of the same year and by 4.8% from December 2019.
- The unemployment rate (ILO concept) stood at 6.5%, down 0.6 pp from the previous month, down 1.4 pp from three months before and down 0.2 pp from the same month of 2019.
- The labour underutilisation rate was estimated at 13.4%, 0.6 pp less than in the previous month, 2.0 pp less than September 2020 and 0.8 pp more than a year earlier.
- The monthly decrease of the labour underutilisation rate in this month was mainly due to the decrease the unemployed population (10.2%).

In January 2021, Statistics Portugal has started a new Labour Force Survey data series. For more information, see page 12.

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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						
		Nov 2019	Dec 2019	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020 (p)
Active population (15 to 74)		5,202.7	5,193.9	5,131.1	5,156.4	5,172.1	5,172.6	5,124.5
Employed population (15 to 74)		4,855.8	4,846.1	4,717.0	4,749.4	4,785.1	4,803.7	4,793.4
Unemployed population (15 to 74)	Thousands	346.9	347.8	414.1	407.1	387.0	368.9	331.1
Inactive population (15 to 74)		2,562.2	2,570.6	2,649.7	2,625.2	2,612.3	2,615.7	2,665.9
Labour underutilisation (15 to 74)		672.7	676.0	832.4	828.9	803.8	755.9	717.7
Activity rate (15 to 74)		67.0	66.9	65.9	66.3	66.4	66.4	65.8
Employment rate (15 to 74)		62.5	62.4	60.6	61.0	61.5	61.7	61.5
Unemployment rate (15 to 74)	%	6.7	6.7	8.1	7.9	7.5	7.1	6.5
Inactivity rate (15 to 74)		33.0	33.1	34.1	33.7	33.6	33.6	34.2
Labour underutilisation rate (15 to 74)		12.5	12.6	15.5	15.4	14.9	14.0	13.4

Source: Statistics Portugal, Labour Force Survey.

Note: (p) - Provisional estimates.

## 1. Monthly estimates analysis

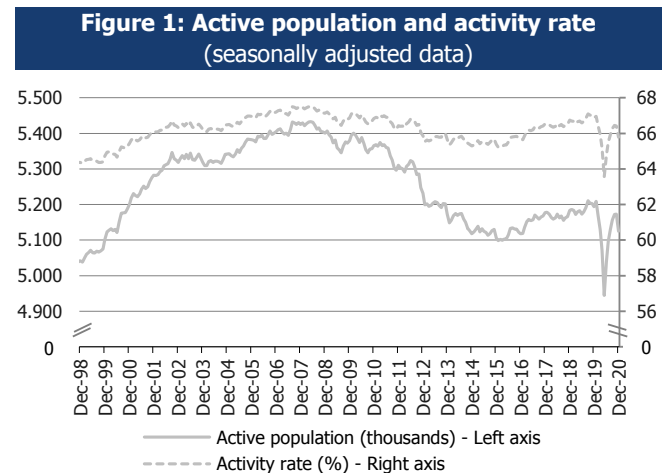
### A. Active population and activity rate

In November 2020, the active population – estimated at 5,172.6 thousand people – remained practically unchanged from October and has increased by 0.8% (41.5 thousand) from August of the same year, having decreased by 0.6% (30.1 thousand) from November 2019.

The activity rate (66.4%) remained unchanged from October 2020, having increased 0.5 percentage points (pp) from August of the same year and having decreased by 0.6 pp when compared to November 2019.

In December 2020, the provisional estimate of the active population stood at 5,124.5 thousand people, having decreased by 0.9% (48.1 thousand) from the month before, 0.6% (31.9 thousand) from three months before and by 1.3% (69.4 thousand) from a year earlier.

The activity rate (65.8%) has decreased by 0.6 pp from November 2020, by 0.5 pp from September of the same year and by 1.1 pp when compared to December 2019.



Note: The December 2020 estimates are provisional.

### B. Employed population and employment rate

In November 2020, the employed population estimate was 4,803.7 thousand people and it has increased by 0.4% (18.6 thousand) from the previous month and by 1.8% (86.7 thousand) from three months before, while

having decreased by 1.1% (52.1 thousand) from November 2019.

The employment rate stood at 61.7%, which corresponded to an increase by 0.2 pp from the previous month and by 1.1 pp from the year before and to a decrease by 0.8pp from September of 2020.

In December 2020, the provisional estimate for the employed population, which stood at 4,793.4 thousand people, decreased by 0.2% (10.3 thousand) from the previous month and by 1.1% (52.7 thousand) from a year earlier, having increased by 0.9% (44.0 thousand) from three months before.

The employment rate was estimated at 61.5%, down 0.2 pp from November 2020, up 0.5 pp from September 2020 and down 0.9 pp from December 2019.

the unemployed population has increased by 6.3% (22.0 thousand).

The unemployment rate stood at 7.1%, having decreased by 0.4 pp from October and by 1.0 pp from August of the same year, having increased by 0.4 pp from a year earlier.

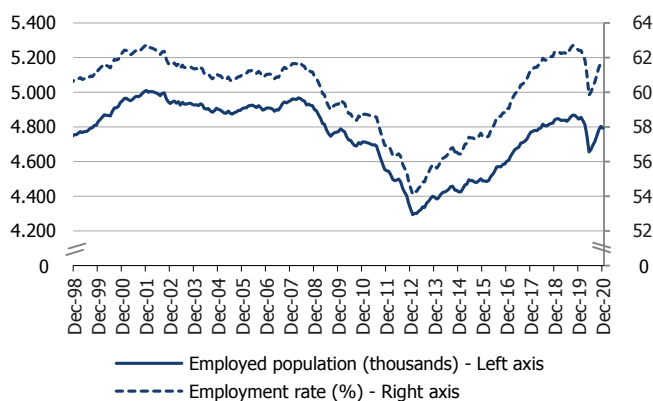
The youth unemployment rate stood at 23.4%, which corresponds to a decrease of 1.3 pp from the previous month. The adults' unemployment rate estimate was 6.0% and it has decreased by 0.3 pp from October 2020.

In December 2020, the unemployed population – estimated at 331.1 thousand people (provisional value) – has decreased by 10.2% (37.8 thousand) from the previous month, by 18.7% (76.0 thousand) from three months before and by 4.8% (16.7 thousand) from one year before.

The provisional estimate for the unemployment rate of November 2020 was 6.5%, down 0.6 pp from the previous month's level, down 1.4 pp from September of the same year and up 0.2 pp from December 2019.

The youth unemployment rate stood at 22.5%, which corresponds to a decrease of 0.9 pp from November 2020. The adults' unemployment rate estimate was 5.4% and has decreased by 0.6 pp from the previous month.

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

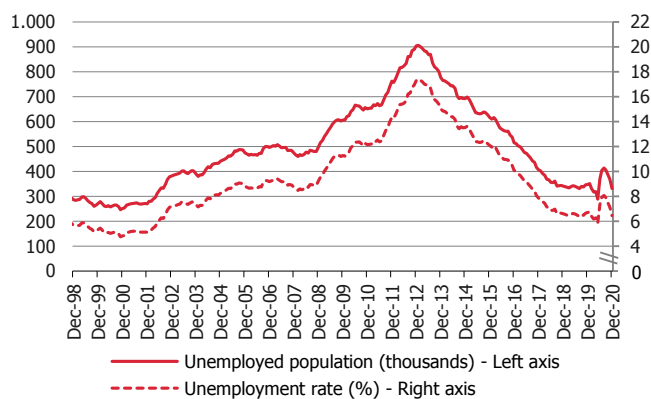


**Note:** The December 2020 estimates are provisional.

### C. Unemployed population and unemployment rate

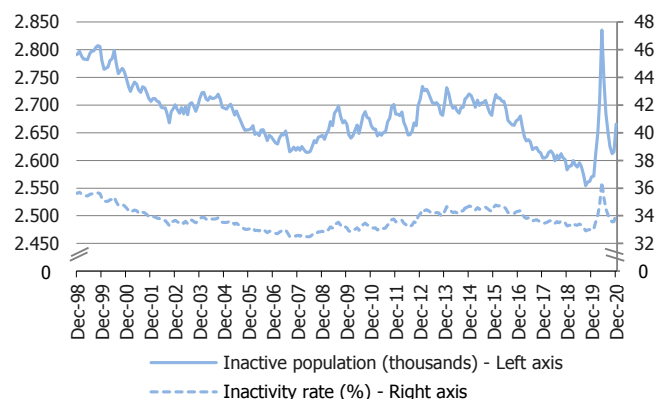
In November 2020, the unemployed population estimate was 368.9 thousand people, having decreased by 4.7% (18.1 thousand) from October 2020 and by 10.9% (45.2 thousand) from August 2020 (three months before). When compared to November 2019,

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



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

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



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

#### D. Inactive population and inactivity rate

In November 2020, the inactive population – estimated at 2,615.7 thousand people – has increased by 0.1% (3.4 thousand) from the previous month and by 2.1% (53.5 thousands) from the same month of 2019, having decreased increased by 1.3% (34.0 thousand) from three months before.

The inactivity rate was 33.6%, remained unchanged from November 2020, down 0.5 pp from September of the same year and up 0.6 pp from December 2019.

In December 2020, the provisional estimate of the inactive population was 2,665.9 thousand people, which corresponds to an increase from the previous month (1.9%; 50.2 thousand), from three months before (1.5%; 40.7 thousand) and from the same month of the year before (3.7%; 95.3 thousand).

The inactivity rate was 34.2%, up 0.6 pp from November 2020, up 0.5 pp from September of the same year and up 1.1 pp from December 2019.

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

In November 2020, the labour underutilisation was estimated at 755.9 thousand people, having decreased from the previous month (6.0%; 47.9 thousand) and from three months before (9.2%; 76.5 thousand) and increased from the same month of 2019 (12.4%; 83.2 thousand).

<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 7.

The labour underutilisation rate was 14.0%, having decreased by 0.9 pp from the previous month and by 1.5 pp from three months before, while having increased by 1.5 pp from a year earlier.

In December 2020, the provisional estimate of labour underutilisation stood at 717.7 thousand people, which corresponds to a decreased of 5.1% (38.2 thousand) from November 2020 and of 13.4% (111.2 thousand) from September 2020, and to an increase of 6.2% (41.7 thousand) from December 2019.

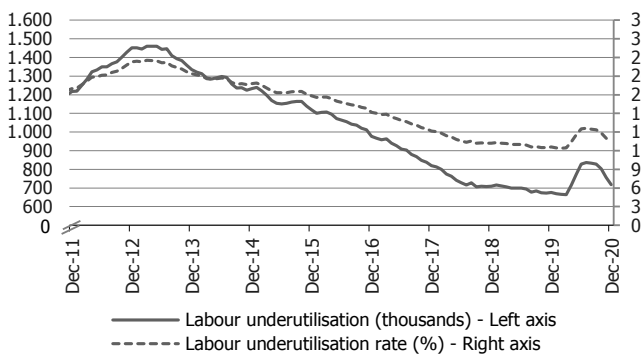
The provisional estimate of the labour underutilisation rate of December 2020 stood at 13.4%, having decreased by 0.6 pp from the month before and by 2.0 pp from three months before, while having increased by 0.8 pp from the same month of the previous year.

null change was due to the increase of the employed population (18.6 thousand) being similar to the decrease of the unemployed population (18.1 thousand). The inactive population increase was, mainly, explained by the increase in the number of inactive persons who were not part of the labour underutilisation, this is, those who were not available to work and did not seek a job (17.8 thousand).

Compared to three months before, the growth of the active population (41.5 thousand) came from the increase of the employed population (86.7 thousand), which exceeded the decrease of the unemployed population (45.2 thousand). The inactive population has decreased by 34.0 thousand people, mainly due to the decrease in the number of the inactive persons available to work, but not seeking a job (21.8 thousand).

On the other hand, when comparing to November 2019, the active population decrease (30.1 thousand) was explained by the decrease observed in the employed population (52.1 thousand), which was not compensated by the unemployed population increase (22.0 thousand). The inactive population has increased by 53.5 thousand people, as a result of the increase in the number of inactive persons available to work, but not seeking a job (57.6 thousand).

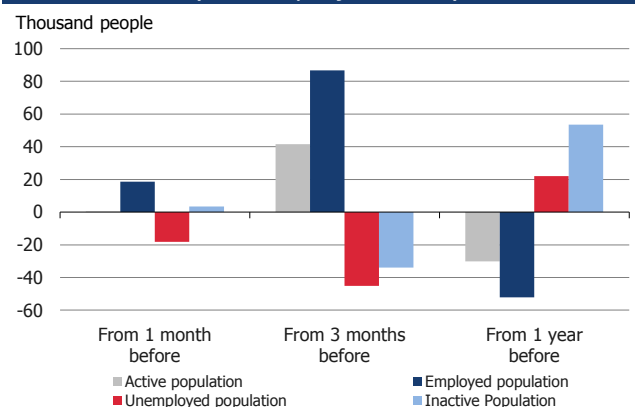
**Figure 5: Labour underutilisation and labour underutilisation rate**  
(seasonally adjusted data)



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

In summary (Figure 6), in November 2020, from the previous month, the active population remained practically unchanged and the inactive population has increased (3.4 thousand)<sup>6</sup>. The active population nearly

**Figure 6: Change in the active, employed, unemployed and inactive population in November 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.

Such measures, resulting from the declaration of several states of emergency and declarations of calamity, led to restrictions on the free movement of persons for the majority of the population, accompanied by the closure of schools and by the temporary closure of several enterprises, among others. At the same time, measures have been taken to protect workers' jobs.

This had an impact in the classification of people according to their Labour Status<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, led those persons to be part of the inactive population.

Likewise, the measures taken to safeguard the public health due to COVID-19 pandemic covered a large number of people who, even though they were absent from work, namely in layoff, for an estimated duration of more than 3 months, were considered as employed because they continued to earn more than 50% of the usual salary.

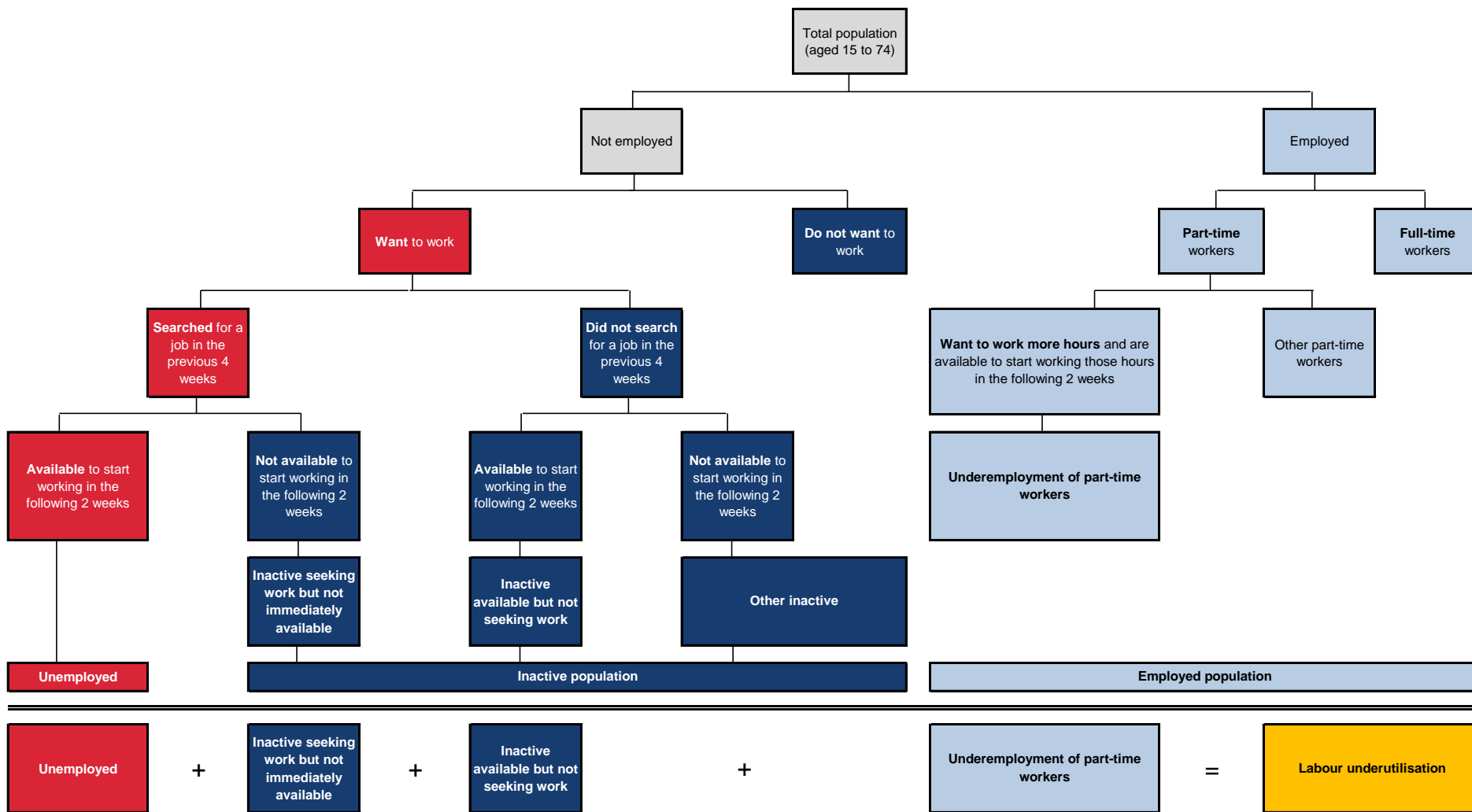
Up until now, the pandemic continues to influence the behaviour of the labour market, due to the restrictions on mobility and availability and to the benefits granted.

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<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.

**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				
	Dec 2019	Sep 2020	Oct 2020	Nov 2020	Dec 2020 (p)	Dec 2019	Sep 2020	Oct 2020	Nov 2020	Dec 2020 (p)
	Thousands									
<b>Active population (15 to 74)</b>	<b>5,193.9</b>	<b>5,156.4</b>	<b>5,172.1</b>	<b>5,172.6</b>	<b>5,124.5</b>	<b>5,178.4</b>	<b>5,160.6</b>	<b>5,178.1</b>	<b>5,167.1</b>	<b>5,106.7</b>
Men (15 to 74)	2,617.2	2,587.4	2,596.8	2,595.6	2,571.3	2,608.2	2,592.9	2,600.3	2,595.5	2,562.2
Women (15 to 74)	2,576.7	2,569.0	2,575.3	2,577.0	2,553.2	2,570.2	2,567.7	2,577.8	2,571.6	2,544.5
Youth (aged 15 to 24)	372.4	331.8	327.7	325.5	311.6	371.7	341.1	333.9	326.9	310.8
Adults (aged 25 to 74)	4,821.5	4,824.6	4,844.3	4,847.1	4,812.9	4,806.7	4,819.5	4,844.2	4,840.2	4,795.9
	%									
<b>Activity rate (15 to 74)</b>	<b>66.9</b>	<b>66.3</b>	<b>66.4</b>	<b>66.4</b>	<b>65.8</b>	<b>66.7</b>	<b>66.3</b>	<b>66.5</b>	<b>66.3</b>	<b>65.6</b>
Men (15 to 74)	70.6	69.8	70.0	69.9	69.3	70.4	69.9	70.1	69.9	69.0
Women (15 to 74)	63.5	63.1	63.2	63.2	62.6	63.3	63.0	63.3	63.1	62.4
Youth (aged 15 to 24)	34.2	30.3	29.9	29.6	28.3	34.1	31.1	30.4	29.8	28.3
Adults (aged 25 to 74)	72.2	72.2	72.4	72.5	71.9	72.0	72.1	72.4	72.4	71.7

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				
	Dec 2019	Sep 2020	Oct 2020	Nov 2020	Dec 2020 (p)	Dec 2019	Sep 2020	Oct 2020	Nov 2020	Dec 2020 (p)
	Thousands									
<b>Employed population (15 to 74)</b>	<b>4,846.1</b>	<b>4,749.4</b>	<b>4,785.1</b>	<b>4,803.7</b>	<b>4,793.4</b>	<b>4,817.6</b>	<b>4,755.9</b>	<b>4,787.5</b>	<b>4,793.9</b>	<b>4,764.8</b>
Men (15 to 74)	2,453.8	2,389.2	2,409.0	2,416.9	2,407.8	2,439.1	2,398.9	2,412.8	2,414.5	2,394.1
Women (15 to 74)	2,392.3	2,360.2	2,376.1	2,386.8	2,385.7	2,378.5	2,356.9	2,374.7	2,379.5	2,370.7
Youth (aged 15 to 24)	302.9	251.2	246.8	249.2	241.5	298.9	255.2	246.7	247.6	238.0
Adults (aged 25 to 74)	4,543.2	4,498.2	4,538.3	4,554.5	4,552.0	4,518.7	4,500.7	4,540.8	4,546.3	4,526.8
	%									
<b>Employment rate (15 to 74)</b>	<b>62.4</b>	<b>61.0</b>	<b>61.5</b>	<b>61.7</b>	<b>61.5</b>	<b>62.0</b>	<b>61.1</b>	<b>61.5</b>	<b>61.6</b>	<b>61.2</b>
Men (15 to 74)	66.2	64.4	64.9	65.1	64.9	65.8	64.7	65.0	65.1	64.5
Women (15 to 74)	58.9	57.9	58.3	58.5	58.5	58.6	57.9	58.3	58.4	58.1
Youth (aged 15 to 24)	27.8	22.9	22.5	22.7	22.0	27.4	23.3	22.5	22.5	21.6
Adults (aged 25 to 74)	68.1	67.3	67.9	68.1	68.0	67.7	67.3	67.9	68.0	67.7

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				
	Dec 2019	Sep 2020	Oct 2020	Nov 2020	Dec 2020 (p)	Dec 2019	Sep 2020	Oct 2020	Nov 2020	Dec 2020 (p)
	Thousands									
<b>Unemployed population (15 to 74)</b>	<b>347.8</b>	<b>407.1</b>	<b>387.0</b>	<b>368.9</b>	<b>331.1</b>	<b>360.8</b>	<b>404.7</b>	<b>390.6</b>	<b>373.2</b>	<b>342.0</b>
Men (15 to 74)	163.4	198.2	187.8	178.7	163.5	169.1	194.0	187.5	181.1	168.1
Women (15 to 74)	184.4	208.9	199.2	190.2	167.6	191.7	210.7	203.1	192.1	173.8
Youth (aged 15 to 24)	69.5	80.7	81.0	76.3	70.2	72.8	85.9	87.2	79.3	72.8
Adults (aged 25 to 74)	278.3	326.4	306.1	292.6	260.9	288.0	318.8	303.4	293.8	269.2
	%									
<b>Unemployment rate (15 to 74)</b>	<b>6.7</b>	<b>7.9</b>	<b>7.5</b>	<b>7.1</b>	<b>6.5</b>	<b>7.0</b>	<b>7.8</b>	<b>7.5</b>	<b>7.2</b>	<b>6.7</b>
Men (15 to 74)	6.2	7.7	7.2	6.9	6.4	6.5	7.5	7.2	7.0	6.6
Women (15 to 74)	7.2	8.1	7.7	7.4	6.6	7.5	8.2	7.9	7.5	6.8
Youth (aged 15 to 24)	18.7	24.3	24.7	23.4	22.5	19.6	25.2	26.1	24.3	23.4
Adults (aged 25 to 74)	5.8	6.8	6.3	6.0	5.4	6.0	6.6	6.3	6.1	5.6

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				
	Dec 2019	Sep 2020	Oct 2020	Nov 2020	Dec 2020 (p)	Dec 2019	Sep 2020	Oct 2020	Nov 2020	Dec 2020 (p)
	Thousands									
<b>Inactive population (15 to 74)</b>	<b>2,570.6</b>	<b>2,625.2</b>	<b>2,612.3</b>	<b>2,615.7</b>	<b>2,665.9</b>	<b>2,586.1</b>	<b>2,621.1</b>	<b>2,606.3</b>	<b>2,621.1</b>	<b>2,683.6</b>
Men (15 to 74)	1,088.6	1,121.1	1,112.7	1,115.6	1,141.0	1,097.6	1,115.6	1,109.2	1,115.6	1,150.1
Women (15 to 74)	1,482.0	1,504.1	1,499.6	1,500.1	1,524.8	1,488.5	1,505.5	1,497.1	1,505.5	1,533.5
Youth (aged 15 to 24)	717.8	765.0	769.9	773.3	788.0	718.5	755.7	763.7	771.8	788.8
Adults (aged 25 to 74)	1,852.8	1,860.2	1,842.5	1,842.4	1,877.9	1,867.6	1,865.4	1,842.6	1,849.3	1,894.9
	%									
<b>Inactivity rate (15 to 74)</b>	<b>33.1</b>	<b>33.7</b>	<b>33.6</b>	<b>33.6</b>	<b>34.2</b>	<b>33.3</b>	<b>33.7</b>	<b>33.5</b>	<b>33.7</b>	<b>34.4</b>
Men (15 to 74)	29.4	30.2	30.0	30.1	30.7	29.6	30.1	29.9	30.1	31.0
Women (15 to 74)	36.5	36.9	36.8	36.8	37.4	36.7	37.0	36.7	36.9	37.6
Youth (aged 15 to 24)	65.8	69.7	70.1	70.4	71.7	65.9	68.9	69.6	70.2	71.7
Adults (aged 25 to 74)	27.8	27.8	27.6	27.5	28.1	28.0	27.9	27.6	27.6	28.3

Source: Statistics Portugal, Labour Force Survey.

Notes: (p) - Provisional estimates.

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

	Dec 2019	Sep 2020	Oct 2020	Nov 2020	Dec 2020 (p)	Dec 2019	Sep 2020	Oct 2020	Nov 2020	Dec 2020 (p)
	Thousands									
<b>Labour underutilisation (15 to 74)</b>	<b>676.0</b>	<b>828.9</b>	<b>803.8</b>	<b>755.9</b>	<b>717.7</b>	<b>694.0</b>	<b>817.0</b>	<b>790.4</b>	<b>750.3</b>	<b>723.0</b>
Unemployed population	347.8	407.1	387.0	368.9	331.1	360.8	404.7	390.6	373.2	342.0
Underemployed part-time workers	156.7	181.1	176.0	160.8	153.4	161.9	169.6	172.5	163.6	158.0
Persons seeking work but not immediately available	25.3	21.8	23.5	22.5	24.6	24.9	20.3	21.3	21.5	24.2
Persons available to work but not seeking	146.2	218.9	217.4	203.8	208.6	146.3	222.4	206.0	192.0	198.8
	%									
<b>Labour underutilisation rate (15 to 74)</b>	<b>12.6</b>	<b>15.4</b>	<b>14.9</b>	<b>14.0</b>	<b>13.4</b>	<b>13.0</b>	<b>15.1</b>	<b>14.6</b>	<b>13.9</b>	<b>13.6</b>

**Source:** Statistics Portugal, Labour Force Survey.

**Notes:** (p) - Provisional estimates.

## Start, in January 2021, of a new Labour Force Survey data series

Following:

- The adoption of the Resolution concerning Statistics of Work, Employment and Labour underutilisation at the 19<sup>th</sup> International Conference of Labour Statisticians promoted by the International Labour Organization in 2013;
- The publication, in October 2019, of the Integrated European Social Statistics Regulation (IESS Framework), which aims at ensuring that social statistics based in sampling surveys and related to individuals and households are produced in a more coherent and coordinated manner at the European level ([Regulation \(EU\) 2019/1700 of the European Parliament and of the Council of 10 October 2019](#));
- The publication of a set of additional regulations, among which there is the Commission Implementing Regulation in the labour force domain ([Commission Implementing Regulation \(EU\) 2019/2240](#));

In January 2021, the countries participating in the European Statistical System started, in a coordinated manner and in conjunction with Eurostat, the collection of a new Labour Force Survey (LFS) data series. Although this new series does not contain any fundamental change to the conceptual framework underlying the LFS, there are still some innovations. One of the main ones is the reinforcement of the sample size to ensure compliance with more demanding precision criteria. Additionally, it is also worth mentioning:

- The change in the reference age of the active population to "16 to 89 years old" (before it considered those aged 15 and over).
- In line with the ILO recommendations, people in agriculture and fisheries activities exclusively for self-consumption are no longer considered in the employed population.
- The update of the questionnaire, in particular the questions that determine the labour force status.
- The modularization of the questionnaire, which will include questions with different periodicities (quarterly, annual, biennial and every 8 years).

To verify the impact of these changes, Statistics Portugal is carrying out, during the 1<sup>st</sup> quarter of 2021 and in parallel with the main operation, a pilot survey using the questionnaire of the previous data series (LFS2011, in force between 1Q2011 and 4Q2020) and a smaller sample. As a result of this assessment, these two simultaneous statistical operations will allow the estimate of adjustments to be introduced in the previous series (LFS2011 and LFS1998) in order to obtain backward revised time series consistent with the new one.

Meanwhile, the LFS data collected in January already corresponds to the new data series. This fact highlights the provisional nature of the monthly estimates referring to December since the monthly estimates of employment and unemployment refer to quarterly centred moving averages, combining in this case data from the previous series (related to November and December 2020) with data from the new series (January 2021). Yet, Statistics Portugal decided to release these estimates before its above mentioned assessment that can only be concluded after the release of the 1<sup>st</sup> quarter of 2021 results considering its public relevance.

## 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 November 2020 (definitive estimates) and the ones for that month published in the last Press Release, is the following:

Revision of November 2020 estimates - main indicators			
	Unit	Seasonally adjusted data	Not seasonally adjusted data
Active population (15 to 74)		- 14.5	- 14.7
Employed population (15 to 74)		- 8.4	- 8.4
Unemployed population (15 to 74)	Thousands	- 6.1	- 6.3
Inactive population (15 to 74)		14.6	14.6
Labour underutilisation (15 to 74)		- 3.4	- 3.9
Employment rate (15 to 74)		- 0.1	- 0.1
Unemployment rate (15 to 74)		- 0.1	- 0.1
Men's unemployment rate (15 to 74)		- 0.1	- 0.1
Women's unemployment rate (15 to 74)	p.p.	0.0	0.0
Youth unemployment rate (15 to 24)		0.1	0.2
Adults' unemployment rate (25 to 74)		- 0.1	- 0.1
Labour underutilisation rate (15 to 74)		0.0	- 0.1

In November 2020, the downwards revision (-0.1 pp) of the seasonally adjusted unemployment rate was followed by an equally downwards revision for men and adults (-0.1 pp in both), by a null revision women and by an upwards revision for young people (+0.1 pp). The downwards revision of the unemployment rate was followed by a downwards revision of the unemployed (-1.6%; -6.1 thousand) and of the employed population (-0.2%; -8.4 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 <http://smi.ine.pt/DocumentacaoMetodologica/Detalhes/1455> methodological documents (both only in Portuguese) available at the Statistics Portugal website.