

10 February 2021

## Employment Statistics

### 4<sup>th</sup> quarter of 2020

**Employment decreased by 2.0% in 2020, reflecting the impact of the pandemic, although the year-on-year decrease in the 4<sup>th</sup> quarter was less intense (1.0%)**

#### In the 4<sup>th</sup> quarter of 2020

The unemployment rate stood at 7.1%, down 0.7 percentage points (pp) from the previous quarter and up 0.4 pp from a year earlier.

The employed population, 4,859.5 thousand people, has increased by 1.2% (59.6 thousand) from the previous quarter, but has decreased by 1.0% (48.1 thousand) from the year before. At the same time, the employed population absent from work in the reference week has decreased by 47.8% (396.1 thousand) from the previous quarter and has increased by 26.0% (89.4 thousand) from the 4<sup>th</sup> quarter of 2019. Similarly, the volume of hours actually per week worked has quarterly increased by 8.5%, while having decreased by 6.6% from a year earlier. The transition from unemployment to employment (30.4%) was the highest of the data series started in 2011.

The unemployed population, estimated at 373.2 thousand people, decreased by 7.7% (30.9 thousand) from the previous quarter and increased by 5.9% (20.8 thousand) from the 4<sup>th</sup> quarter of 2019.

The labour underutilisation was estimated at 750.3 thousand people, having decreased by 7.8% (63.4 thousand) from the previous quarter and increased by 10.7% (72.3 thousand) from the previous year. The labour underutilisation rate stood at 13.8% and it has also decreased from the previous quarter (1.1 pp) and increased from a year earlier (1.3 pp). This year-on-year increase was mainly explained by the increase in the number of inactive persons available to work, but not searching for job.

The inactive population aged 15 and over (3,687.3 thousand people) has decreased by 0.4% (13.6 thousand) from the previous quarter and has increased by 2.2% (78.7 thousand) from a year earlier.

#### In 2020

The unemployment rate stood at 6.8%, up 0.3 pp from 2019, while the labour underutilisation stood at 13.9%, up 1.2 pp from that year.

The employed population was estimated at 4,814.1 thousand people and has decreased by 2.0% (99.0 thousand) from the previous year. On the other hand, the unemployed population, 350.9 thousand people, has increased by 3.4% (11.4 thousand) from the same year.

The young people (aged 15 to 24) unemployment rate stood at 22.6%, 4.3 pp less than in the previous year, while the proportion of long-term unemployment was 39.5%, down 10.3 pp from 2019, which corresponded to the highest decrease of the data series.

Among the young people aged 15 to 34 residing in Portugal, 11.6% (255.2 thousand) were not in employment, in education or training, a share that has increased by 2.1 pp (45.1 thousand) from 2019.

The three Europe 2020 indicators – employment rate of those aged 20 to 64, early leavers from education and training rate, and tertiary educational attainment rate – were estimated at 74.7%, 8.9%, and 39.6% (76.1%, 10.6%, and 36.2% in 2019). Therefore, the first and the third indicators were slightly below their respective targets (75% or over and at least 40%, respectively), while the second surpassed the established target (less than 10%).

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 17).

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.

## Introduction

This Press Release is divided into two parts.

The first one presents the main results of the Labour Force Survey for the 4<sup>th</sup> quarter, followed by the respective annual averages. A small analysis of the Europe 2020 indicators is also presented (chapter 9, page 13).

The second part analyses a set of indicators that help to better understand the impact of the COVID-19 pandemic on the labour market, both in the 4<sup>th</sup> quarter and in 2020, for which, for some indicators, a comparison with the averages of the period 2011 to 2019 is done. It was, for example, observed that the reduction in the number of hours actually worked and the increase in the employed population absent from work in the reference week reached their most expressive values in the 2<sup>nd</sup> quarter of 2020, with changes less visible in the 4<sup>th</sup> quarter (chapter I, page 18, and chapter II, page 19).

In addition, Statistics Portugal informs that on February 11, 2021, the results of the Labour Force Survey *ad hoc* module on "Working from home" for the 4<sup>th</sup> quarter of 2020 will be released.

## A. General results

### 1. Labour force (active population)

The Labour Force Survey results for the 4<sup>th</sup> quarter of 2020 indicate that the labour force (active population), estimated at 5,232.7 thousand people, has increased by 0.6% (28.7 thousand) from the previous quarter and decreased by 0.5% (27.3 thousand) from the same quarter of 2019.

The participation rate of the working age population (15 years old and over) stood at 58.7%, having increased by 0.3 percentage points (pp) from the prior quarter and decreased by 0.6 pp from the 4<sup>th</sup> quarter of 2019.

The participation rate of men (63.7%) was 9.4 pp higher than that of women (54.3%). Both have increased from the previous quarter (0.3 pp and 0.2 pp, respectively) and both have decreased from a year earlier (0.6 pp and 0.7 pp, respectively).

In terms of the annual average, in 2020, the active population was estimated at 5,165.1 thousand people and has decreased by 1.7% from the previous year (87.5 thousand).

In that year, the participation rate of the working age population was 58.0%, down 1.3 pp from 2019.

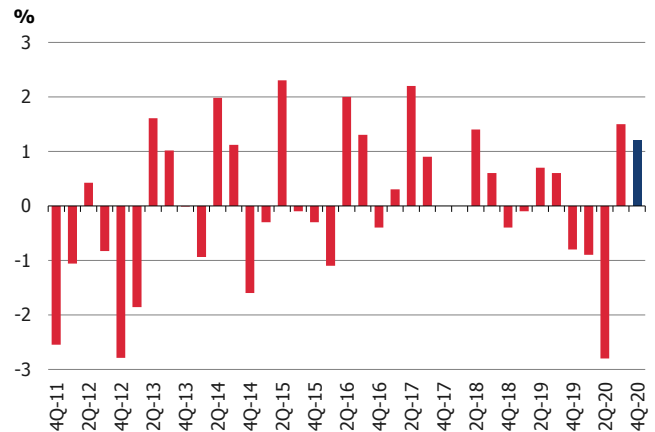
## 2. Employed population

### 2.1. Quarterly changes

The employed population (4,859.5 thousand people) increased by 1.2% (59.6 thousand) from the previous quarter, contradicting the decreases usually observed in the fourth quarters since 2011.

That change was explained by the increases recorded mainly in the following groups: men (36.1 thousand; 1.5%); aged 25 to 34 (21.8 thousand; 2.4%) and aged 45 to 64 (21.7 thousand; 1.0%); having completed a degree corresponding to the tertiary education (92.1 thousand; 6.4%); employed in the services sector (47.6 thousand; 1.4%) – 80.0% of this growth occurred in the group composed by the activities of education and of public administration and defence, compulsory social security (38.1 thousand; 5.4%); working as employees (38.5 thousand; 1.0%) with permanent contracts (22.6 thousand; 0.7%); and working full-time (77.5 thousand; 1.8%).

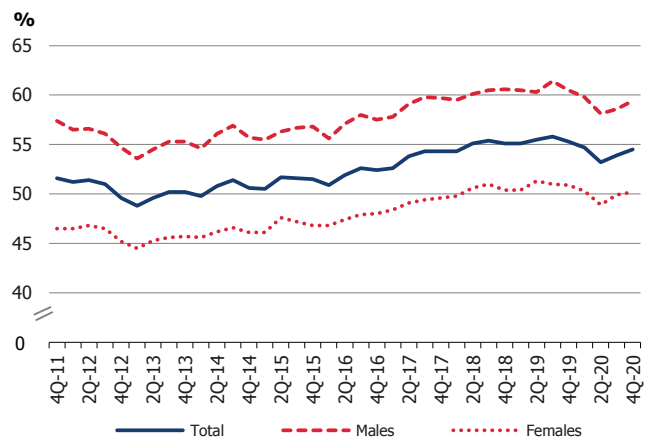
**Figure 1: Employed population quarterly rate of change**



The employment rate (15 years old and over) stood at 54.5% and increased by 0.6 pp from the previous quarter.

The employment rate of men (59.4%) exceeded that of women (50.2%) by 9.2 pp, having both rates increased from the 3<sup>rd</sup> quarter 2020 (0.8 pp and 0.3 pp, respectively).

**Figure 2: Employment rate by sex**



### 2.2. Year-on-year changes

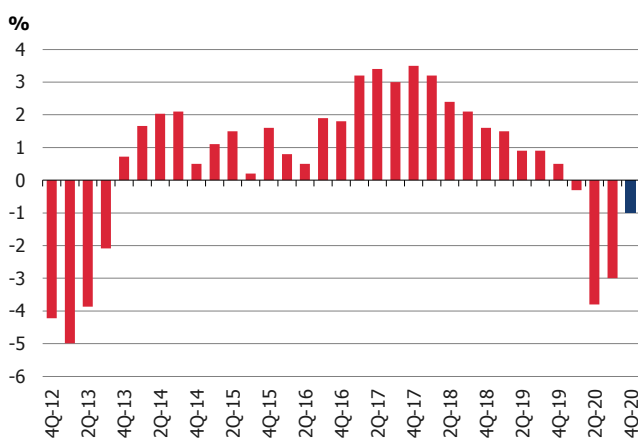
From the same quarter of 2019, the employed population has decreased by 1.0% (48.1 thousand),

interrupting the series of positive year-on-year changes observed in this quarter since 2013.

The year-on-year change in the employed population came mostly from the employment decrease in the following groups: men (36.8 thousand; 1.5%); people aged 15 to 24 (56.0 thousand; 18.4%) and those aged 35 to 44 (55.2 thousand; 4.3%); having completed, at most, an education level corresponding to the first or second stages of basic education (187.2 thousand; 8.9%); employed in the services sector (54.9 thousand; 1.6%), especially in the group of wholesale and retail trade, repair of motor vehicles and motorcycles, of transportation and storage, and of accommodation and food services activities (123.8 thousand; 9.8%); working as employees (38.3 thousand; 0.9%) with a temporary contract (123.8 thousand; 17.5%); and working part-time (32.6 thousand; 6.5%).

The employment rate (15 years old and over) has decreased by 0.8 pp from the same quarter of 2019, with the men's rate decreasing more than that of women (1.1 pp and 0.7 pp, respectively).

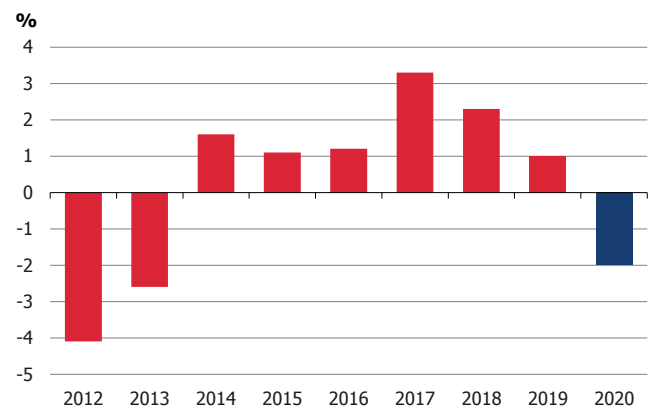
**Figure 3: Employed population year-on-year rate of change**



### 2.3. Annual changes

In 2020, the employed population was estimated at 4,814.1 thousand people and decreased by 2.0% from the previous year (99.0 thousand), interrupting the series of increases started in 2014.

**Figure A: Employed population annual rate of change**



For the annual rate of change in the employed population contributed mostly the employment decreases in the following groups: men (64.0 thousand; 2.6%); people aged 35 to 44 (52.6 thousand; 4.1%); having completed, at most, an education level corresponding to the first or second stages of basic education (170.6 thousand; 8.0%); employed in the services sector (67.8 thousand; 2.0%), especially in the in the group of wholesale and retail trade, repair of motor vehicles and motorcycles, of transportation and storage, and of accommodation and food services activities (73.5 thousand; 5.9%); as employees (74.2 thousand; 1.8%), with a temporary contract (123.1 thousand; 17.1%); and working full-time (64.3 thousand; 1.5%).

The employment rate (15 years old and over) was 54.1%, down 1.3 pp from 2019.

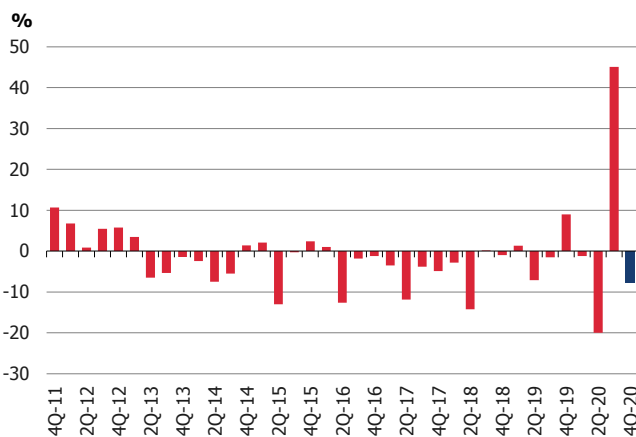
### 3. Unemployed population

#### 3.1. Quarterly changes

The unemployed population (373.2 thousand people) has decreased by 7.7% (30.9 thousand) from the previous quarter.

The unemployed population change came from the decreases observed, mainly, in the following groups: men (18.7 thousand; 9.4%); people aged 45 or over (18.7 thousand; 13.4%); who have completed, at most, an education level corresponding to the first or second stages of basic education (25.0 thousand; 16.2%); looking for a new job (45.0 thousand; 12.1%), having been formerly mainly in the services sector (27.5 thousand; 10.3%); seeking a job for less than 12 months (28.4 thousand; 11.2%).

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



The unemployment rate for the 4<sup>th</sup> quarter of 2020 stood at 7.1%<sup>1</sup>, which corresponds to a decrease by 0.7 pp from the 3<sup>rd</sup> quarter of 2020.

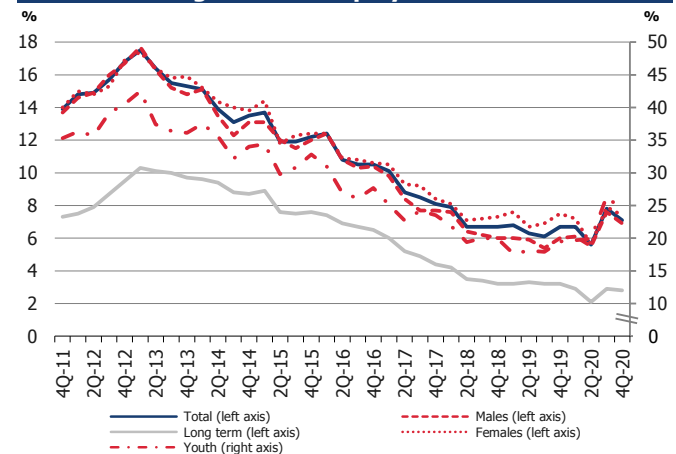
<sup>1</sup> This unemployment rate was calculated for those aged 15 and over (in line with the concepts in force of the International Labour Organization). The unemployment rate for the moving quarter

The unemployment rate of men (6.9%) was lower than that of women (7.4%) by 0.5 pp, having both rates decreased from the previous quarter (0.7 pp and 0.5 pp, respectively).

The youth (15 to 24 years old) unemployment rate was estimated at 24.3%, down 2.1 pp from the 3<sup>rd</sup> quarter of 2020.

The share of unemployed people looking for a job for 12 months or longer (long-term unemployment) was 39.7%, up 2.4 pp from the previous quarter.

**Figure 5: Unemployment rate**



#### 3.2. Year-on-year changes

From the same quarter of 2019, the unemployed population has increased by 5.9% (20.8 thousand), contradicting the year-on-year decreases usually observed in the fourth quarters since 2013.

That change was mainly explained by the increases recorded in the following groups: men (23.1 thousand; 14.6%); people aged 25 to 34 (16.5 thousand; 19.9%);

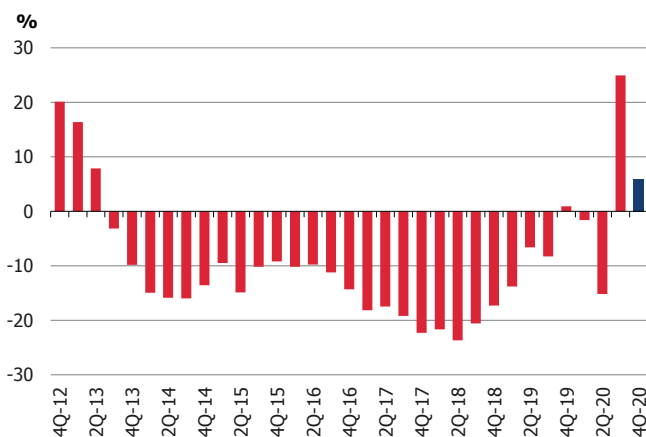
centered in November 2020 (which corresponds to the 4<sup>th</sup> quarter 2020), published in the Press Release of December 2020 (released in 29-1-2021), was calculated for the age subgroup of those aged 15 to 74 (as in the Eurostat News Release). This rate (not seasonally adjusted) was 7.2%.

having a degree corresponding to the tertiary education (26.4 thousand; 31.4%); looking for a new job (20.9 thousand; 6.8%), having been formerly mainly in the services sector (27.6 thousand; 13.1%); seeking a job for less than 12 months (40.9 thousand; 22.2%).

From the same quarter of 2019, the unemployment rate increased by 0.4 pp, having been observed an increase for men (0.9 pp) and a decrease for women (0.1 pp).

The unemployment rate of young people aged 15 to 24 has increased by 4.8 pp and the share of unemployed people looking for a job for 12 months or longer (long-term unemployment) has decreased by 8.0 pp.

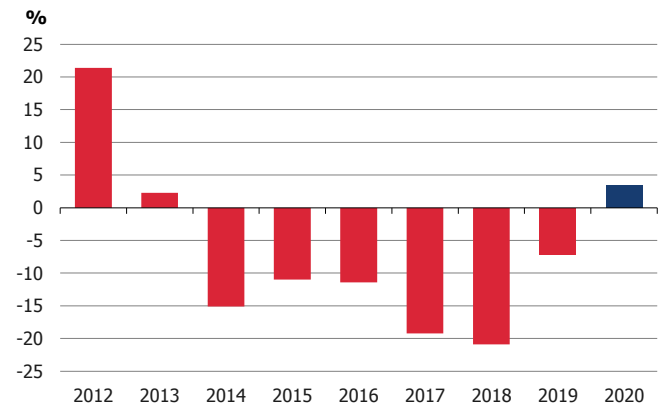
**Figure 6: Unemployed population year-on-year rate of change**



### 3.3. Annual changes

In 2020, there were 350.9 thousand unemployed people, having increased by 3.4% (11.4 thousand) from the previous year and interrupting the series of consecutive annual decreases observed since 2014. That annual estimate was the second lowest of the data series started in 2011.

**Figure B: Unemployed population annual rate of change**



For the unemployed population annual rate of change contributed, mainly, the increases in the following groups: men (16.7 thousand; 10.8%); people aged 25 to 34 (20.8 thousand; 29.4%); having completed the (upper) secondary and post-secondary non-tertiary education (18.4 thousand; 16.9%); seeking a new job (13.5 thousand; 4.5%), who were formerly in the services sector (19.1 thousand; 9.4%); and seeking a job for less than 12 months (42.1 thousand; 24.7%).

The unemployment rate for 2020 stood at 6.8% and was up 0.3 pp from the previous year. That value corresponds to the second lowest annual unemployment rate of the data series started in 2011.

The young people (aged 15 to 24) unemployment rate stood at 22.6%, up 4.3 pp from the previous year.

In 2020, the share of unemployed looking for a job for 12 months or longer (long-term unemployment) was 39.5%, having decreased by 10.3 pp from the former year. This was the highest decrease of this indicator that has been consecutively decreasing since its maximum value reached in 2014 (65.5%).

#### 4. Inactive population

The inactive population, estimated at 5,072.6 thousand people in the 4<sup>th</sup> quarter of 2020 has decreased by 0.3% (14.8 thousand) from the previous quarter and has increased by 1.4% (67.9 thousand) from the same quarter of 2019.

The inactive population aged 15 and over stood at 3,687.3 thousand people, accounting for 72.7% of total inactive population, having decreased by 0.4% (13.6 thousand) from the previous quarter and having increased by 2.2% (78.7 thousand) from the 4<sup>th</sup> quarter of 2019.

The inactivity rate (15 years old and over) stood at 41.3%, having decreased by 0.3 pp from the previous quarter and increased by 0.6 pp from the same period of 2019.

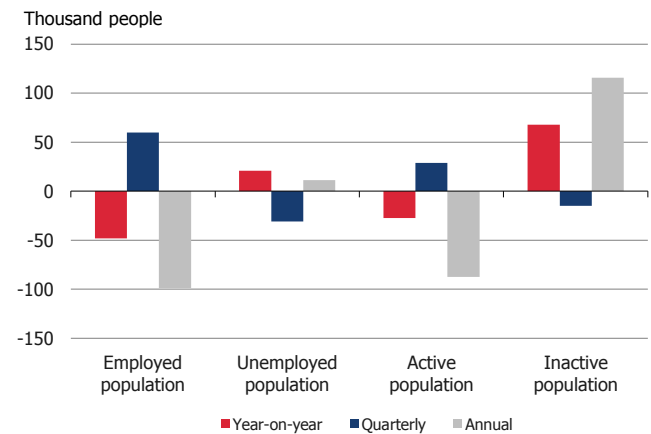
The inactivity rate of women (45.7%) exceeded that of men (36.3%) by 9.4 pp, having them both decreased from the previous quarter in a similar way: the former by 0.2 pp and the latter by 0.3 pp. From a year earlier, the inactivity rate of women has increased by 0.7 pp and that of men by 0.6 pp.

In 2020, the total inactive population was estimated at 5,126.6 thousand people and increased by 2.3% (115.8 thousand) from the previous year. The inactive population aged 15 and over corresponded to 3,737.8 thousand people and has increased by 3.5% (126.8 thousand).

In that year, the inactivity rate was 42.0%, up 1.3 pp from 2019. This estimate corresponded to the highest inactivity rate since 2011.

Figure 7 exhibits a summary of the observed changes in the 4<sup>th</sup> quarter of 2020 (quarterly and year-on-year) and in 2020 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)

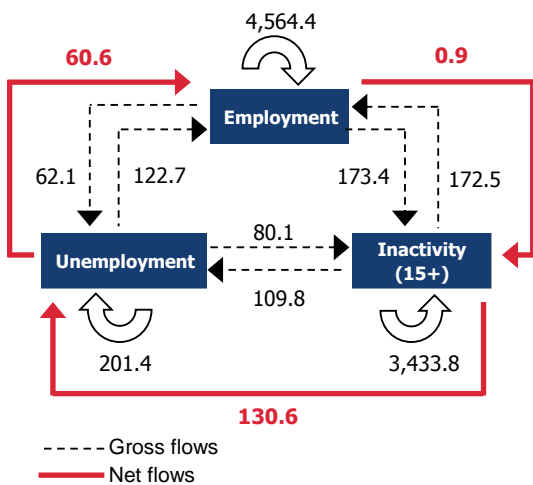
###### *Employment*

From the 3<sup>rd</sup> to the 4<sup>th</sup> quarter of 2020, 62.1 thousand persons moved from employment (E) to unemployment (U) and 173.4 thousand moved from employment to inactivity (aged 15 and over; I). Therefore, the number of persons moving out of employment, within a quarter, was 235.5 thousand.

At the same time, the employment inflows from unemployment were 122.7 thousand persons, while those from inactivity were 172.5 thousand. Hence, the number of persons moving into employment, within this quarter, was 295.2 thousand.

As a consequence, between the two quarters there was a positive net flow into employment (that is, total inflows minus total outflows) of 59.6 thousand persons (which corresponds to the employed population quarterly change).

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



### Unemployment

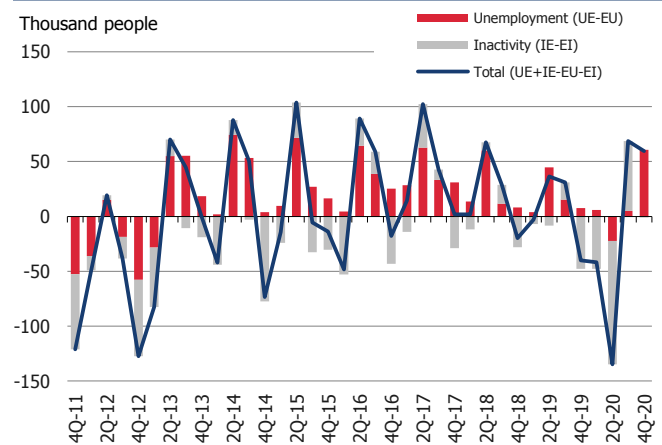
On the other hand, the net flow into unemployment was negative and comprised 30.9 thousand people (which corresponds to the unemployed population quarterly change), and resulted from the number of people becoming unemployed (171.8 thousand) being smaller than the total of those leaving that status (202.7 thousand).

The unemployment inflows from employment (62.1 thousand) were smaller than those from inactivity (109.8 thousand). In turn, the unemployment outflows to employment (122.7 thousand) were higher than those to inactivity (80.1 thousand).

The next figures exhibit the quarterly developments of the net employment and unemployment flows, from the

4<sup>th</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 4<sup>th</sup> quarter of 2020, that:

- The employment quarterly increase (59.6 thousand) resulted, almost exclusively, from the positive net flow between employment and unemployment



(60.6 thousand) since the net flow to inactivity remained practically unchanged.

- On the other hand, the unemployment decrease between quarters (30.9 thousand) was explained by the negative net flow between unemployment and employment (60.6 thousand) having more than compensate the positive net flow between unemployment and inactivity (29.7 thousand). In other words, in net terms, the outflows from unemployment to employment more than compensated for the unemployment inflows from inactivity.

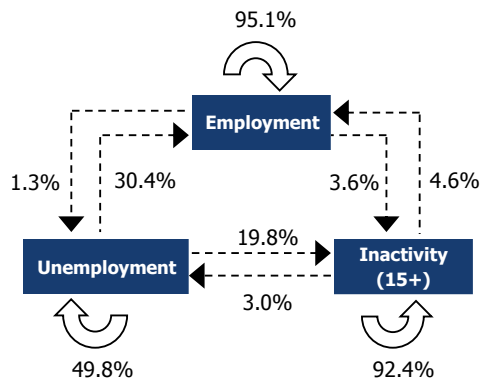
## 5.2. Transition rates (%)

From the 3<sup>rd</sup> to the 4<sup>th</sup> quarter of 2020, 1.3% of the people initially employed moved into unemployment and 3.6% moved into inactivity, with the proportion of employed persons moving out of this situation totalling 4.9% in the 4<sup>th</sup> quarter of 2020 (95.1% remained employed; which corresponds to 4,564.4 thousand people, as in Diagram 1).

From the total of unemployed persons in the 3<sup>rd</sup> quarter of 2020, 50.2% moved out of this labour market state in the 4<sup>th</sup> quarter of 2020: 30.4% became employed (the highest share in the data series started in 2011) and 19.8% moved into inactivity.

From the total of people aged 15 and over considered to be inactive in the 3<sup>rd</sup> quarter of 2020, 4.6% moved into employment and 3.0% moved into unemployment in the 4<sup>th</sup> quarter of 2020.

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



## 6. Unemployment rates by NUTS II region

In the 4<sup>th</sup> quarter of 2020, the unemployment rate was higher than the national average in four NUTS II regions of the country: *Região Autónoma da Madeira* (10.7%), *Algarve* (9.9%), *Área Metropolitana de Lisboa* (7.7%), and *Alentejo* (7.4%).

In *Norte* (7.0%), *Centro* (5.8%) and *Região Autónoma dos Açores* (5.5%) the unemployment rates stood below that value.

Compared to the previous quarter, the unemployment rate has increased in three regions, with the largest increase being observed in *Região Autónoma da Madeira* (2.1 pp), has remained unchanged in the *Centro* region and has decreased in three other regions, with emphasis on the decrease of *Área Metropolitana de Lisboa* (1.8 pp).

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 *Região Autónoma da Madeira* (3.7 pp) and in *Algarve* (3.1 pp), while the only two decreases were

verified in *Norte* (0.1 pp) and in *Região Autónoma dos Açores* (2.1 pp).

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

	4Q-2019	3Q-2020	4Q-2020	2019	2020
<b>Portugal</b>	<b>6.7</b>	<b>7.8</b>	<b>7.1</b>	<b>6.5</b>	<b>6.8</b>
Norte	7.1	7.9	7.0	6.7	6.8
Centro	5.2	5.8	5.8	4.9	5.6
A. M. Lisboa	7.1	9.5	7.7	7.1	7.7
Alentejo	7.3	6.2	7.4	6.9	5.9
Algarve	6.8	8.5	9.9	7.1	8.3
R. A. Açores	7.6	6.7	5.5	7.9	6.1
R. A. Madeira	7.0	8.6	10.7	7.0	7.9

Unit: %

**Source:** Statistics Portugal, Labour Force Survey - 4<sup>th</sup> quarter of 2020.

In 2020, the unemployment rate of *Norte* matched the national average (6.8%), while the rates of *Algarve* (8.3%), *Região Autónoma da Madeira* (7.9%) and *Área Metropolitana de Lisboa* (7.7%) stood above that threshold and the remaining rates stood below: *Região Autónoma dos Açores* (6.1%), *Alentejo* (5.9%) and *Centro* (5.6%).

Compared to 2019, the unemployment rate has increased in five regions, with the largest decrease being observed in *Algarve* (1.2 pp), and has decreased in two regions - *Alentejo* (1.0 pp) and *Região Autónoma dos Açores* (1.8 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>.

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 4<sup>th</sup> quarter of 2020, the labour underutilisation was estimated at 750.3 thousand people and the corresponding rate was 13.8%.

The labour underutilisation decreased by 7.8% (63.4 thousand) from the previous quarter, but it has increased by 10.7% (72.3 thousand) from the previous year. By component, the following is observed:

- The unemployed population was estimated at 373.2 thousand people and, as previously mentioned, decreased by 7.7% (30.9 thousand) from the previous quarter and increased by 5.9% (20.8 thousand) from the same quarter of 2019. The unemployment rate was 7.1%, down 0.7 pp from the previous quarter and up 0.4 pp from an year earlier.

<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.

<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.

- The number of underemployed part-time workers was 163.6 thousand people, 3.2% (5.0 thousand) more than in the previous quarter and 5.1% (7.9 thousand) more than in the year-on-year comparison.
- The number of inactive persons seeking work but not immediately available stood at 21.5 thousand. It has increased by 21.6% (3.8 thousand) from the 3<sup>rd</sup> quarter of 2020 and decreased by 12.9% (3.2 thousand) from the 4<sup>th</sup> quarter of 2019.
- The number of inactive persons available to work but not seeking (192.0 thousand) has decreased by 17.7% (41.3 thousand) from the previous quarter, while increasing by 32.2% (46.8 thousand) from the same quarter of 2019.

Albeit the labour underutilisation year-on-year increase in the 4<sup>th</sup> quarter of 2020, the unemployed population and the labour underutilisation have displayed downwards trends between the 1<sup>st</sup> quarter of 2013 and the 3<sup>rd</sup> quarter of 2019, having decreased in total 65.1% and 54.6%, respectively (corresponding to 603.4 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 12.2%.

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 has 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. This was followed, between the 2<sup>nd</sup> and the 3<sup>rd</sup> quarters of 2020, by an inversion in the unemployed population trend, which has strongly increased overcoming the decrease observed between the first two quarters of the year and more than compensating 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.

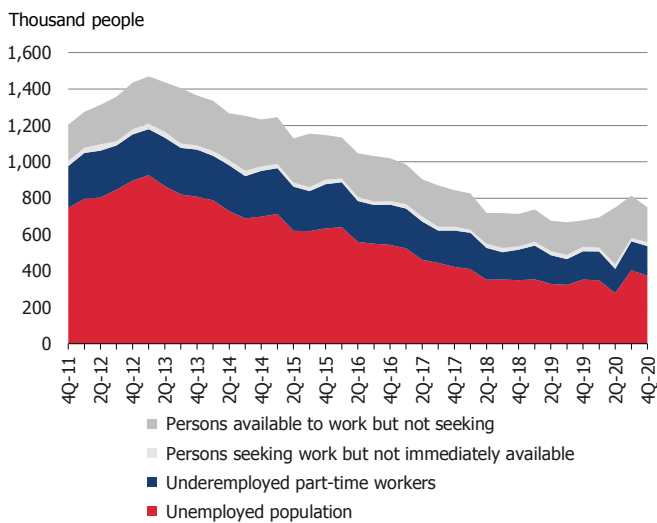
**Table 2: Labour underutilisation by component**

Portugal	Quarterly level			Annual level	
	4Q-2019	3Q-2020	4Q-2020	2019	2020
<b>Number</b>	<b>Thousands</b>				
<b>Total</b>	<b>678.0</b>	<b>813.7</b>	<b>750.3</b>	<b>690.0</b>	<b>751.8</b>
Unemployed population	352.4	404.1	373.2	339.5	350.9
Underemployed part-time workers	155.7	158.6	163.6	160.2	153.5
Persons seeking work but not immediately	24.7	17.7	21.5	22.8	21.5
Persons available to work but not seeking	145.2	233.3	192.0	167.5	226.0
<b>Rate</b>	<b>%</b>				
Unemployment rate	6.7	7.8	7.1	6.5	6.8
Labour underutilisation rate	12.5	14.9	13.8	12.7	13.9

**Source:** Statistics Portugal, Labour Force Survey - 4<sup>th</sup> quarter of 2020.

In the following quarters, between the 3<sup>rd</sup> and the 4<sup>th</sup> of 2020, the unemployed population reversed once again its trend having decreased which, together with the downwards trend in the number of inactive people available to work, but who are not looking for a job, originated a quarterly decrease of the labour underutilisation.

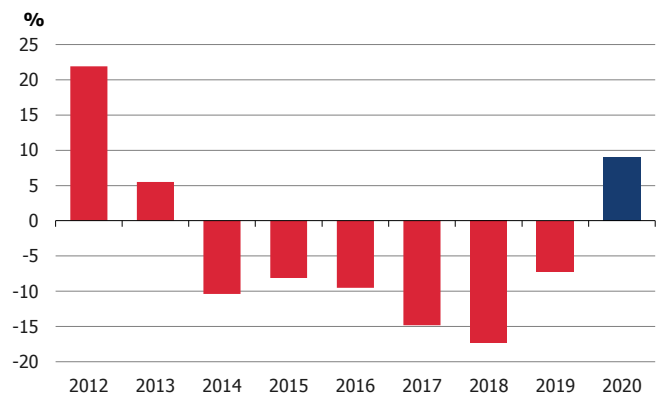
**Figure 10: Labour underutilisation components**



In 2020, the labour underutilisation covered 751.8 thousand people, 9.0% more (61.8 thousand) than in 2019. The labour underutilisation rate was 13.9%, up by 1.2 pp from the year before.

In the same year, the unemployed population (350.9 thousand) accounted for less than half (46.7%) of the labour underutilisation, while the group of persons available to work, but not seeking (226.0 thousand) has reinforced its weight accounting for 30.1% of the labour underutilisation (5.8 pp more than in 2019). The third largest component of this indicator (20.4%) was the underemployment of part-time workers, which covered 153.5 thousand people. Finally, the persons seeking work, but not immediately available (21.5 thousand) represented only 2.9% of the labour underutilisation. When comparing to 2019, the first two components increased by 3.4% and 34.9%, respectively, having the third and fourth components decreased by 4.2% and 5.7%, respectively.

**Figure C: Labour underutilisation annual rate of change**



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

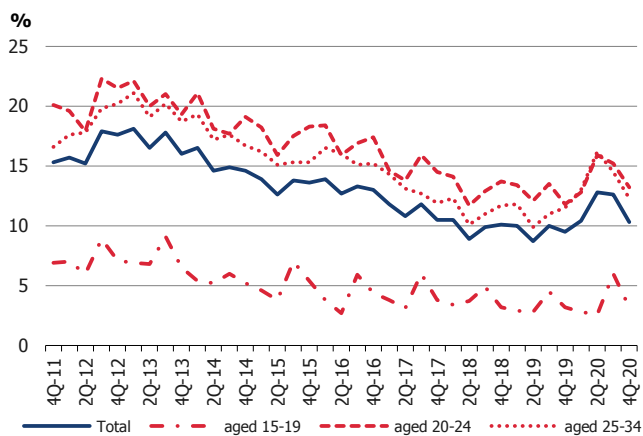
In the 4<sup>th</sup> quarter of 2020, from the total of 2,211.3 thousand young people aged 15 to 34, 10.3% (228.4 thousand) were not in employment, education or training. Little more than half of them were considered to be unemployed (52.2%), while the remaining ones were classified as part of the inactive population (47.8%).

From the previous quarter, the rate of young people not in employment, education or training has decreased by 2.3 pp (50.8 thousand). This change resulted from the decrease observed in all groups under analysis, with emphasis on men (2.6 pp; 28.3 thousand), those aged 25 to 34 (2.2 pp; 25.0 thousand) and for those having completed, at most, an education level corresponding to the first or second stages of basic education (3.0 pp; 24.2 thousand).

On the other hand, the rate of young people not in employment, education or training has increased from the 4<sup>th</sup> quarter of 2019 (0.8 pp; 19.5 thousand). The growth resulted mainly from the increase in men (1.6 pp; 17.6 thousand), in the age group of those

aged 20 to 24 (1.4 pp; 9.9 thousand) and among those who have completed the (upper) secondary or post-secondary non-tertiary education (2.1 pp; 20.1 thousand).

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



In 2020, from the total of 2,208.0 thousand young people aged 15 to 34, 11.6% (255.2 thousand) were not in employment, education or training.

Comparing to 2019, the share of young people that were not in employment, education or training has increased by 2.1 pp (45.1 thousand), being this growth explained by the increases observed in all groups under analysis, in particular among men (3.1 pp; 34.7 thousand), in the age group of those aged 25 to 34 (3.0 pp; 33.1 thousand) and among having completed the (upper) secondary or post-secondary non-tertiary education (2.8 pp; 27.1 thousand).

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

Portugal	Quarterly level			Annual level	
	4Q-2019	3Q-2020	4Q-2020	2019	2020
<b>Number</b>	<b>Thousands</b>				
Total	208.9	279.2	228.4	210.1	255.2
Males	97.3	143.2	114.9	91.1	125.8
Females	111.6	136.0	113.6	118.9	129.4
15 to 19	17.4	32.5	17.3	18.5	19.8
20 to 24	64.6	85.1	74.5	68.9	79.6
25 to 34	126.9	161.6	136.6	122.7	155.8
First and second stages of basic education	81.8	98.8	74.6	82.5	88.5
(Upper) secondary and post-secondary non-tertiary education	78.0	123.1	98.1	80.8	107.9
Tertiary education	49.1	57.2	55.7	46.7	58.8
Unemployed population	113.4	139.0	119.3	104.4	120.4
Inactive population	95.5	140.2	109.1	105.7	134.8
<b>Rate</b>	<b>%</b>				
Total	9.5	12.6	10.3	9.5	11.6
Males	8.8	13.0	10.4	8.3	11.4
Females	10.2	12.3	10.3	10.8	11.7
15 to 19	3.2	6.0	3.2	3.4	3.7
20 to 24	11.8	15.2	13.2	12.7	14.3
25 to 34	11.5	14.5	12.3	11.0	14.0
First and second stages of basic education	10.8	14.4	11.4	10.6	12.4
(Upper) secondary and post-secondary non-tertiary education	8.7	13.3	10.8	9.1	11.9
Tertiary education	9.1	9.6	8.6	8.7	10.0
<b>Proportion of</b>					
Unemployed population	54.3	49.8	52.2	49.7	47.2
Inactive population	45.7	50.2	47.8	50.3	52.8

Source: Statistics Portugal, Labour Force Survey - 4<sup>th</sup> quarter of 2020.

## 9. Europe 2020 indicators

The key areas of the Europe 2020 strategy are expressed in the form of five headline targets in terms of employment, research and development, climate change and energy, education, poverty and social exclusion. To these targets were associated measurable benchmarks, capable of reflecting the diversity of Member States situations and whose progress is assessed through clear and comparable indicators.

The headline targets for Employment (to increase the employment rate of those aged 20 to 64 to 75%) and for Education (to reduce the early leaver from education and training rate to less than 10% and to increase the tertiary educational attainment rate among those aged 30 to 34 to, at least, 40%) are assessed through Labour Force Survey indicators.

1.7 pp from 2019. In 2011, Portugal was at 13.0 pp from this benchmark.

On the other hand, the tertiary educational attainment rate<sup>2</sup> stood at 39.6%, falling short from the 2020 target being set at 40% (a 0.4 pp difference). That estimate corresponds to a 3.4 pp increase from 2019. In 2011, Portugal was 13.3 pp behind the benchmark.

Europe 2020 indicators				
Portugal	2020 headline target	Annual level		
		2011	2019	2020
%				
Employment rate (age group 20-64)	75%	68.8	76.1	74.7
Early leavers from education and training	10%	23.0	10.6	8.9
Tertiary educational attainment	40%	26.7	36.2	39.6

Source: Statistics Portugal, Labour Force Survey - 4<sup>th</sup> quarter of 2020.

The assessment indicators reveal that, in 2019, Portugal had surpassed the target of having an employment rate of those aged 20 to 64 of at least 75% (it stood at 76.1%). However, in 2020, due to the impact of the COVID-19 pandemic in the labour market, that employment rate has decreased by 1.4 pp from 2019, to a total of 74.7%, failing to comply with the headline target by 0.3 pp. In 2011, Portugal was 6.2 pp below that value.

Nonetheless, Portugal has surpassed one of the headline targets for Education and got closer to another.

In 2020, the early leaver from education and training rate<sup>5</sup> was estimated at 8.9%, standing below the maximum value accepted for this indicator (10%) hence complying with this headline target by a margin of 1.1 pp. That estimate corresponded to a decrease of

<sup>5</sup> Concepts available at the Technical note.

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

Portugal	Quarterly level			Annual level		Rate of change		
	4Q-2019	3Q-2020	4Q-2020	2019	2020	On year	On quarter	Annual
	Thousands					%		
<b>Labour force (active population)</b>	<b>5,260.0</b>	<b>5,204.0</b>	<b>5,232.7</b>	<b>5,252.6</b>	<b>5,165.1</b>	<b>-0.5</b>	<b>0.6</b>	<b>-1.7</b>
Males	2,655.1	2,624.0	2,641.4	2,658.3	2,610.9	-0.5	0.7	-1.8
Females	2,604.9	2,580.0	2,591.3	2,594.3	2,554.2	-0.5	0.4	-1.5
15 to 24	377.0	334.2	326.9	373.6	330.7	-13.3	-2.2	-11.5
25 to 34	1,003.5	994.8	1,012.7	1,006.2	991.4	0.9	1.8	-1.5
35 to 44	1,340.5	1,292.4	1,299.5	1,359.8	1,303.2	-3.1	0.5	-4.2
45 to 64	2,279.1	2,319.8	2,323.5	2,247.6	2,279.2	1.9	0.2	1.4
65 and over	259.9	262.7	270.1	265.4	260.6	3.9	2.8	-1.8
First and second stages of basic education (at most)	2,258.3	2,092.0	2,053.5	2,286.7	2,096.7	-9.1	-1.8	-8.3
Upper secondary and post-secondary non-tertiary education	1,544.3	1,557.9	1,525.9	1,514.6	1,528.8	-1.2	-2.1	0.9
Tertiary education	1,457.5	1,554.1	1,653.4	1,451.2	1,539.5	13.4	6.4	6.1
<b>Participation rate (%)</b>	<b>51.2</b>	<b>50.6</b>	<b>50.8</b>	<b>51.2</b>	<b>50.2</b>			
Males	54.8	54.1	54.4	54.9	53.9			
Females	48.0	47.4	47.5	47.9	46.9			
<b>Participation rate (15 and over) (%)</b>	<b>59.3</b>	<b>58.4</b>	<b>58.7</b>	<b>59.3</b>	<b>58.0</b>			
Males	64.3	63.4	63.7	64.4	63.1			
Females	55.0	54.1	54.3	54.8	53.6			
<b>Employed population</b>	<b>4,907.6</b>	<b>4,799.9</b>	<b>4,859.5</b>	<b>4,913.1</b>	<b>4,814.1</b>	<b>-1.0</b>	<b>1.2</b>	<b>-2.0</b>
Males	2,497.1	2,424.2	2,460.3	2,504.2	2,440.2	-1.5	1.5	-2.6
Females	2,410.5	2,375.7	2,399.2	2,408.8	2,374.0	-0.5	1.0	-1.4
15 to 24	303.6	246.0	247.6	305.3	256.1	-18.4	0.6	-16.1
25 to 34	920.6	891.4	913.2	935.6	899.9	-0.8	2.4	-3.8
35 to 44	1,280.9	1,219.2	1,225.7	1,292.5	1,239.9	-4.3	0.5	-4.1
45 to 64	2,148.7	2,184.2	2,205.9	2,119.5	2,161.5	2.7	1.0	2.0
65 and over	253.9	258.9	267.1	260.2	256.7	5.2	3.1	-1.4
First and second stages of basic education	2,111.7	1,938.1	1,924.5	2,133.7	1,963.1	-8.9	-0.7	-8.0
(Upper) secondary and post-secondary non-tertiary education	1,422.4	1,410.9	1,392.0	1,405.2	1,401.0	-2.1	-1.3	-0.3
Tertiary education	1,373.5	1,450.9	1,543.0	1,374.1	1,450.0	12.3	6.4	5.5
Agriculture, forestry and fishing (a)	247.6	262.3	255.8	270.1	258.7	3.3	-2.5	-4.2
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction (a)	1,213.7	1,193.6	1,212.3	1,212.4	1,192.6	-0.1	1.6	-1.6
Services (a)	3,446.4	3,343.9	3,391.5	3,430.6	3,362.8	-1.6	1.4	-2.0
Employees	4,083.1	4,006.3	4,044.8	4,084.8	4,010.6	-0.9	1.0	-1.8
With a permanent job (work contract of unlimited duration)	3,251.6	3,311.8	3,334.4	3,235.8	3,298.1	2.5	0.7	1.9
With a temporary job (work contract of limited duration)	706.6	578.0	582.8	718.8	595.7	-17.5	0.8	-17.1
Other contractual arrangements	124.8	116.5	127.6	130.2	116.8	2.2	9.5	-10.3
Self-employed workers	807.1	775.1	801.6	810.5	788.8	-0.7	3.4	-2.7
Unpaid family workers	17.5	§	§	17.8	14.8	§	§	-17.0
Full-time workers	4,407.6	4,314.6	4,392.1	4,404.9	4,340.6	-0.4	1.8	-1.5
Part-time workers	500.1	485.2	467.5	508.2	473.5	-6.5	-3.7	-6.8
Underemployed part-time workers	155.7	158.6	163.6	160.2	153.5	5.1	3.2	-4.2
<b>Employment rate (15 and over) (%)</b>	<b>55.3</b>	<b>53.9</b>	<b>54.5</b>	<b>55.4</b>	<b>54.1</b>			
Males	60.5	58.6	59.4	60.7	59.0			
Females	50.9	49.9	50.2	50.9	49.8			

Source: Statistics Portugal, Labour Force Survey - 4<sup>th</sup> quarter of 2020.

**Note:**

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

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

Portugal	Quarterly level			Annual level		Rate of change		
	4Q-2019	3Q-2020	4Q-2020	2019	2020	On year	On quarter	Annual
	Thousands						%	
<b>Unemployed population</b>	<b>352.4</b>	<b>404.1</b>	<b>373.2</b>	<b>339.5</b>	<b>350.9</b>	<b>5.9</b>	<b>-7.7</b>	<b>3.4</b>
Males	158.0	199.8	181.1	154.1	170.8	14.6	-9.4	10.8
Females	194.4	204.3	192.1	185.4	180.2	-1.2	-6.0	-2.8
15 to 24	73.4	88.2	79.3	68.2	74.6	8.0	-10.1	9.3
25 to 34	82.9	103.3	99.4	70.6	91.4	19.9	-3.8	29.4
35 to 44	59.6	73.2	73.8	67.3	63.3	23.7	0.8	-5.9
45 and over	136.4	139.3	120.6	133.3	121.6	-11.6	-13.4	-8.8
First and second stages of basic education (at most)	146.6	153.9	128.9	153.0	133.6	-12.0	-16.2	-12.7
Upper secondary and post-secondary non-tertiary education	121.8	146.9	133.9	109.4	127.8	9.9	-8.9	16.9
Tertiary education	84.0	103.3	110.4	77.1	89.5	31.4	6.9	16.1
Looking for a first job	46.3	32.1	46.2	37.7	35.7	-0.2	44.1	-5.4
Looking for a new job	306.1	372.0	327.0	301.8	315.3	6.8	-12.1	4.5
Agriculture, forestry and fishing (a) (b)	§	§	§	9.5	5.6	§	§	-40.9
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction (a) (b)	65.8	88.5	70.8	65.6	73.8	7.6	-20.0	12.5
Services (a) (b)	211.2	266.3	238.8	203.9	223.0	13.1	-10.3	9.4
Unemployed by duration of search								
Less than 12 months	184.1	253.4	225.0	170.1	212.2	22.2	-11.2	24.7
12 months or longer (long-term unemployment)	168.3	150.7	148.2	169.3	138.7	-11.9	-1.7	-18.1
<b>Unemployment rate (%)</b>	<b>6.7</b>	<b>7.8</b>	<b>7.1</b>	<b>6.5</b>	<b>6.8</b>			
Males	6.0	7.6	6.9	5.8	6.5			
Females	7.5	7.9	7.4	7.1	7.1			
Youth (15 to 24)	19.5	26.4	24.3	18.3	22.6			
Long-term	3.2	2.9	2.8	3.2	2.7			
<b>Inactive population</b>	<b>5,004.7</b>	<b>5,087.4</b>	<b>5,072.6</b>	<b>5,010.8</b>	<b>5,126.6</b>	<b>1.4</b>	<b>-0.3</b>	<b>2.3</b>
Inactive population (15 and over)	3,608.6	3,700.9	3,687.3	3,611.0	3,737.8	2.2	-0.4	3.5
Males	1,473.6	1,515.7	1,504.0	1,469.9	1,528.2	2.1	-0.8	4.0
Females	2,135.0	2,185.2	2,183.3	2,141.2	2,209.6	2.3	-0.1	3.2
15 to 24	712.9	762.3	771.8	716.2	765.7	8.3	1.2	6.9
25 to 34	102.0	116.0	99.9	105.7	120.2	-2.0	-13.8	13.7
35 to 44	111.8	134.0	118.1	106.1	128.9	5.6	-11.9	21.5
45 to 64	666.3	646.3	650.8	688.2	683.9	-2.3	0.7	-0.6
65 and over	2,015.6	2,042.3	2,046.7	1,994.8	2,039.0	1.5	0.2	2.2
Students	810.3	790.6	804.3	799.2	805.9	-0.7	1.7	0.8
Fulfilled domestic tasks	347.1	343.8	349.5	366.1	350.7	0.7	1.7	-4.2
Retired	1,794.5	1,876.0	1,892.6	1,790.7	1,867.3	5.5	0.9	4.3
Other inactive	656.7	690.5	640.9	655.0	713.8	-2.4	-7.2	9.0
Persons seeking work but not immediately available	24.7	17.7	21.5	22.8	21.5	-12.9	21.6	-5.7
Persons available to work but not seeking	145.2	233.3	192.0	167.5	226.0	32.2	-17.7	34.9
<b>Inactivity rate (15 and over) (%)</b>	<b>40.7</b>	<b>41.6</b>	<b>41.3</b>	<b>40.7</b>	<b>42.0</b>			
Males	35.7	36.6	36.3	35.6	36.9			
Females	45.0	45.9	45.7	45.2	46.4			

Source: Statistics Portugal, Labour Force Survey - 4<sup>th</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 8 years. Therefore, the sum of the number of unemployed looking for a new job by economic activity of the last job does not correspond to the total unemployed looking for a new job.

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



## **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.

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>6</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>7</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>6</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>7</sup> Essential criterion for their classification as unemployed; for more details, see the concept of unemployed in the Technical Note.

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

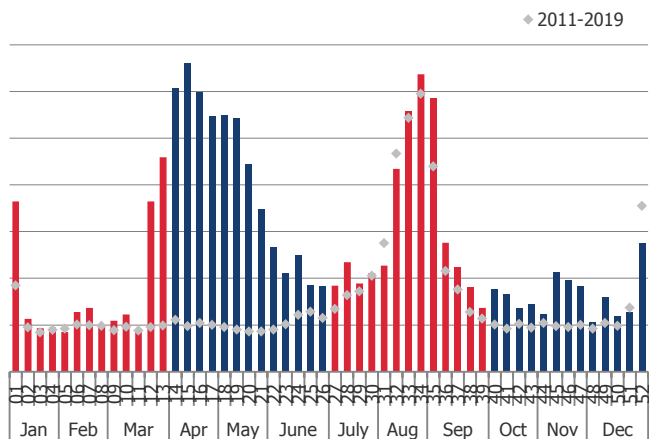
In the 4<sup>th</sup> quarter of 2020, the population aged 15 and over absent from work in the reference week, estimated at 432.7 thousand people, has decreased by 47.8% (396.1 thousand) from the previous quarter and has increased by 26.0% (89.4 thousand) from the same quarter of the previous year.

The vast majority (97.9%) 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).

December), which sometimes also covers the 1<sup>st</sup> week of the following year.

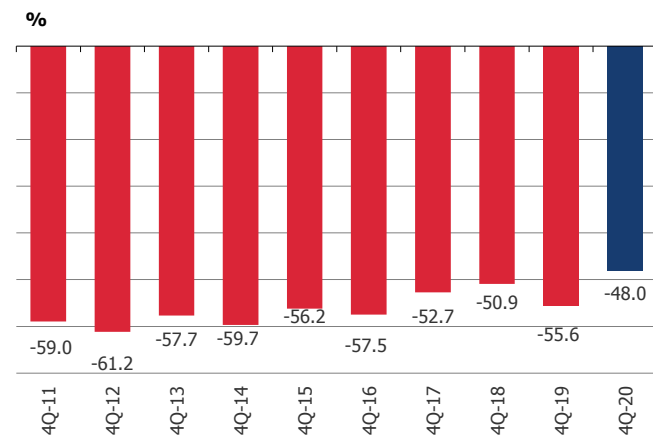
After an atypical 2<sup>nd</sup> quarter, with a number of absences way above the average of the previous years, reflecting of the strong impact of the lockdown, and a 3<sup>rd</sup> quarter of 2020 where the evolution of the employed population absent from work was in line with the one observed in the equivalent weeks of preceding years, in the 4<sup>th</sup> quarter of 2020 (weeks 40 to 52) it was once again observed, although to a lesser extent, values above 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**



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

**Figure II: Quarterly rate of change in the 4<sup>th</sup> quarters of each year of the employed population absent from work in the reference week**

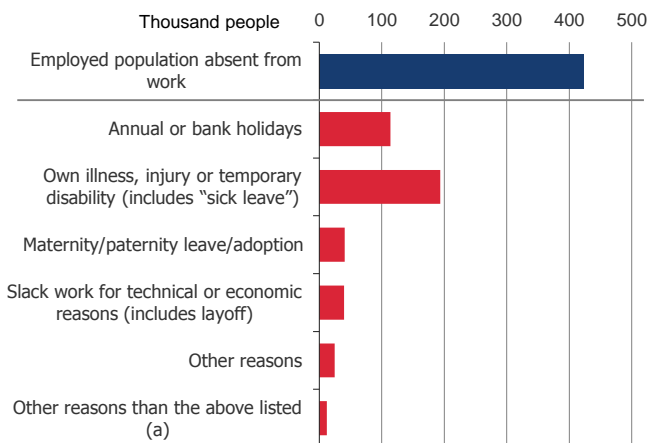


Focusing the analysis on the employed population absent from work in the reference week, it was estimated at 423.7 thousand people and represents 8.7% of total employed population. That population has decreased by 48.0% (391.2 thousand) from the previous quarter and has increased by 24.7% (83.8 thousand) from the 4<sup>th</sup> quarter of 2019. Both the decrease and the number of persons involved are in line with the usually observed in a quarterly change of

this indicator between a third and a fourth quarter, since in third quarters of each year usually correspond to the longest vacation period for a large part of the population.

Analysing the absence reason, according to a set of pre-defined reasons, it was found that, as in the other fourth quarters, "own illness, injury or temporary disability" followed by the "annual or bank holidays" were the two main reasons for the absence (representing 45.7% and 26.8% 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 fourth most mentioned totalling an accumulate decrease of 94.2% (640.6 thousand) since that quarter.

**Figure III: Employed population absent from work by reason of absence in the 4<sup>th</sup> quarter of 2020**



**Note:**

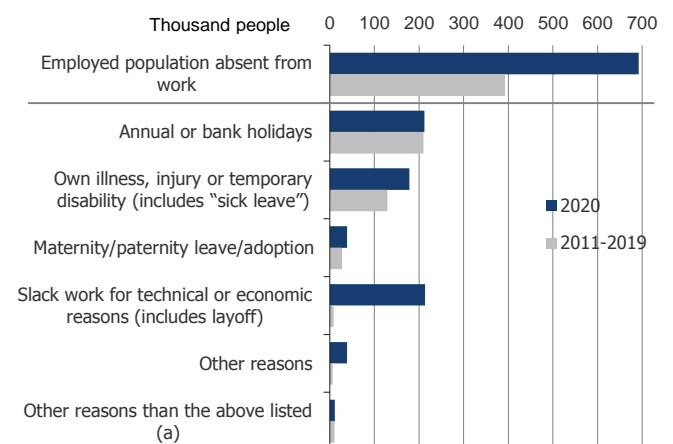
(a) It includes the following reasons, individually presented to the respondent, but whose values are herein aggregated for being extremely unreliable: parental leave; flexible (working time banking) or variable working hours; bad weather; strike or other labour dispute; school education or training;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

Considering the whole of the year 2020 and comparing it with the annual average for the period 2011 to 2019, it was found that the employed population absent from

work in the reference week was estimated at 712.8 thousand people, a value much higher than the average of 397.5 thousand between 2011 and 2019.

It was also found that the main reason for the absence was the "slack work for technical or economic reasons (it includes the contract temporary suspension and layoff)" (213.5 thousand), 25 times more than the average of previous years (8.4 thousand). In addition, it was noted the increase in those mentioning "own illness, injury or temporary disability" as the reason for their absence from work (178.3 thousand, compared to an average of 129.3 thousand).

**Figure I-A: Employed population absent from work by reason of absence in 2020 and average 2011-2019**



**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.

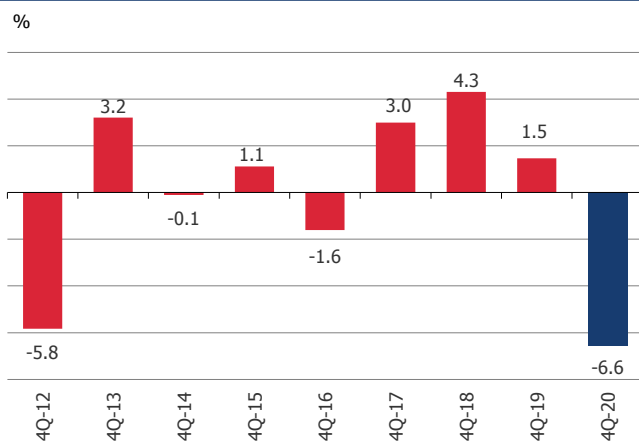
**II. Hours actually worked**

In the 4<sup>th</sup> quarter of 2020, an average of 2 hours more per week were actually worked than in the previous quarter and 2 hours less than in a year earlier. These changes led to a quarterly increase of 8.5% and to a

year-on-year decrease of 6.6% of the volume of hours actually worked. The year-on-year negative change was the highest since 2011 and was most likely a result of the year-on-year increase, already analysed, of the employed population absent from work in the reference week.

In 2020, the average number of hours actually worked per week was 31, 3 hours less than in 2019, which was reflected in a volume of hours actually worked 11.3% lower than that year.

**Figure IV: Year-on-year rate of change in the 4<sup>th</sup> quarters of each year of the volume of hours actually worked per week**



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 4<sup>th</sup> quarter of 2020, this subgroup – estimated at 4,435.8 thousand people – has increased by 11.3% (450.9 thousand) from the previous quarter and decreased by 2.9% (132.0 thousand) from a year

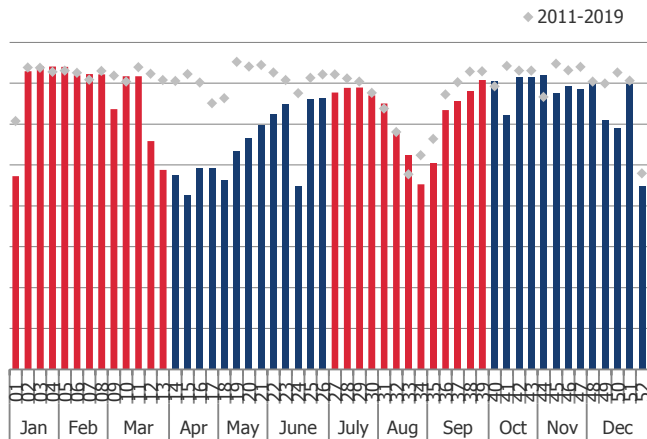
earlier. Among those who have worked, 73.1% stated to have worked the same number of hours usually worked, 4.5% more hours and 22.3% fewer hours.

From the 3<sup>rd</sup> quarter of 2020, there was an increase of 15.0% (26.3 thousand) in the group of those who have worked more hours, which resulted mainly from the increase of those indicating to have worked overtime hours (18.5%; 19.1 thousand). This estimate is in line with those observed before the beginning of COVID-19 pandemic.

The group of those who have worked fewer hours than usual has increased by 175.3% (630.7 thousand), reflecting the higher number of bank holidays existent in the 4<sup>th</sup> quarter comparing to the 3<sup>rd</sup> quarter of 2020. The number of those justifying the fewer hours worked with “Slack work for technical or economic reasons” has decreased by 23.3% (30.6 thousand) from the previous quarter, but almost tripled (73.6 thousand) from the 4<sup>th</sup> quarter of 2019.

Considering the year of 2020, it was observed that, in most weeks, the number of hours actually worked per week was lower than the average of the years 2011 to 2019. This difference was particularly significant in the 2<sup>nd</sup> quarter of 2020 and, despite the increase in the number of confirmed cases with COVID-19 in the 4<sup>th</sup> quarter of that year, this did not have as much impact, comparatively, on the number of hours actually worked. A possible explanation could be the lack of a general lockdown during the last quarter of the year, combined with a smaller number of closed enterprises and the in-school lectures.

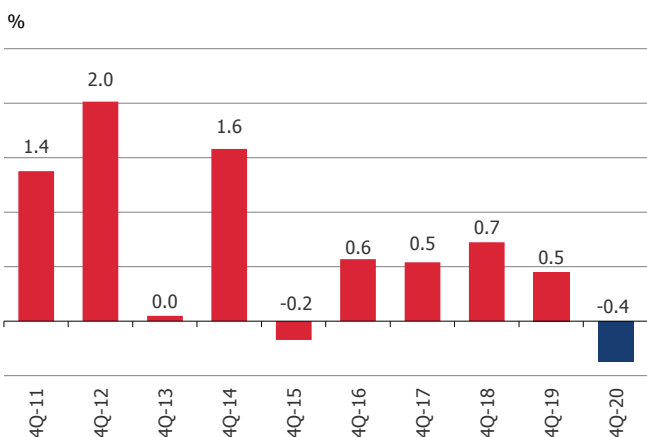
**Figure II-A: Hours actually worked in the reference week - 2020 and 2011-2019 average**



**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 been decreasing this indicator has been decreasing, in an accumulated total of the last two quarters of 5.1% (199.4 thousand).

**Figure V: Quarterly rate of change in the 4<sup>th</sup> quarters of each year of the inactive population aged 15 and over**



To find out what kind of inactivity subgroups of the 3<sup>rd</sup> quarter of 2020 moved to unemployment in the 4<sup>th</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 4<sup>th</sup> quarter, moved to unemployment mainly those who, in the 3<sup>rd</sup> quarter of 2020, were in the group “Potential workforce” (24.9%, which corresponds to a quarterly decrease of 11.1 pp and to a year-on-year decrease of 1.4 pp of that share). These are non-employed persons who, in the 3<sup>rd</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 and that, in the 4<sup>th</sup> quarter, started to fulfil both criteria (active demand and availability to work in the reference period), thus integrating the unemployed population.

In that same quarter, moved to employment 18.3% of those that, in the 3<sup>rd</sup> quarter of 2020, were in the group “Potential workforce”, which represents a positive change of this share by 3.4 pp between the 3<sup>rd</sup> and the 4<sup>th</sup> quarters and of 2.5 pp in a year-on-year comparison.

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

Unit: %

	4T-2019	3T-2020	4T-2020
Stayed in employment	94.5	95.1	95.1
Employment - Potential workforce	0.6	0.6	0.6
Employment - Other inactivity	3.3	2.7	3.0
Stayed in Unemployment	53.9	55.3	49.8
Unemployment - Potential workforce	10.5	10.5	10.3
Unemployment - Other inactivity	9.6	5.2	9.5
Stayed in Potential workforce	23.4	26.2	24.9
Potential workforce - Employment	15.8	14.9	18.3
Potential workforce - Unemployment	26.3	36.0	24.9
Potential workforce - Other inactivity	34.6	23.0	31.9
Stayed in Other inactivity	93.0	90.8	92.9
Other inactivity - Employment	3.4	4.8	3.6
Other inactivity - Unemployment	1.5	1.6	1.4
Other inactivity - Potential workforce	2.1	2.9	2.1

**Source:** Statistics Portugal, Labour Force Survey - 4<sup>th</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".

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

Portugal	3T-2020		4T-2020	
	Quarterly level		Structure	
	Thousands		%	
<b>Total</b>	<b>156.5</b>	<b>200.4</b>	<b>100.0</b>	
Dismissed or made redundant	28.6	27.1	13.5	
A job of limited duration has ended	40.6	59.0	29.5	
Own illness or disability	14.9	14.6	7.3	
Education or training	8.0	22.7	11.3	
Normal retirement	18.6	25.6	12.8	
Other reasons (e.g. termination by mutual consent, layoff, self-employed persons who went out of business)	37.3	36.7	18.3	
Other reasons than the above listed (a)	8.5	14.7	7.3	

**Source:** Statistics Portugal, Labour Force Survey - 4<sup>th</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; other personal or family responsibilities; early retirement.

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 (200.4 thousand).

The reason most mentioned for having stopped working, by 29.5% of that inactive persons group (59.0 thousand), was "A job of limited duration [that] has ended", 18.4 thousand (45.3%) more than in the 3<sup>rd</sup> quarter. The second most stated reason, by 18.3% of that group, was "Other reason", where are included the termination by mutual consent, layoff and self-employed persons who went out of business (36.7 thousand, approximately the same number of people as in the previous quarter). And the third reason most told, by 13.5% of those inactive persons (27.1 thousand), was "Dismissed or made redundant", 1.5 thousand less than in the previous quarter (5.2%).

The quarterly decrease of the inactive population, started in the 3<sup>rd</sup> quarter of 2020, 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 14.6% (14.2 thousand), being now estimated at 82.5 thousand. It was also observed a decrease in the number of those not searching for a job because they were waiting to be recall to work (53.6%; 15.3 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. However, in the 4<sup>th</sup> quarter of 2020, the inactive population aged 15 to 74 who mentioned to be unavailable to start working in that reference period (122.7 thousand) has increased by 2.9% (3.5 thousand) from the previous quarter.

The main reason for this increase was education or training, mentioned by 59.3 thousand people (48.3% of that population), representing a quarterly increase by 55.3% (21.1 thousand). In turn, the number of persons stating to be unavailable to work in the reference period due to personal or family responsibilities (where taking care of children and elderly persons are included) as decreased by 35.3% (12.6 thousand), representing now 18.7% of that population, a share similar to the usually observed in the pre-pandemic period.

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 reduction of the COVID-19 pandemic containment measures during the last three months of the year.

In the 4<sup>th</sup> quarter of 2020, it was estimated that 431.6 thousand non-employed persons were registered in those offices, 3.8% (17.2 thousand) less than in the previous quarter, as a result of the decrease in those classified as unemployed by the Labour Force Survey (6.6% (18.7 thousand) less than in the 3<sup>rd</sup> quarter of 2020).

Among those registered as job-seekers (394.8 thousand; 91.5% of those registered), it was noticed a quarterly decrease by 6.4% (27.1 thousand). This change occurred both among the registered unemployed population (7.6%; 21.4 thousand) and the registered inactive persons (4.1%; 5.7 thousand).

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

Portugal	Quarterly level			Annual level		Structure				
	4Q-2019	3Q-2020	4Q-2020	2019	2020	4Q-2019	3Q-2020	4Q-2020	2019	2020
	Thousands					%				
<b>Total</b>	<b>343.3</b>	<b>828.8</b>	<b>432.7</b>	<b>428.3</b>	<b>712.8</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Employed population	339.9	814.9	423.7	424.0	692.2	99.0	98.3	97.9	99.0	97.1
Unemployed population	§	§	§	§	§	§	§	§	§	§
Inactive population	§	12.1	8.0	§	18.6	§	1.5	1.8	§	2.6
<b>Employed population absent from work</b>	<b>339.9</b>	<b>814.9</b>	<b>423.7</b>	<b>424.0</b>	<b>692.2</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<i>Due to:</i>										
Annual or bank holidays	138.0	538.8	113.6	226.4	211.7	40.6	66.1	26.8	53.4	30.6
Own illness, injury or temporary disability (includes "sick leave")	150.2	164.8	193.5	153.7	178.3	44.2	20.2	45.7	36.3	25.8
Maternity/paternity leave/adoption	28.0	33.0	40.8	26.8	38.7	8.2	4.0	9.6	6.3	5.6
Slack work for technical or economic reasons (includes layoff)	§	66.2	39.5	§	213.5	§	8.1	9.3	§	30.8
Other reasons (e.g. marriage leave, general government special mobility - "supernumerary plan", pre-retirement, irregular/occasional activity)	§	§	24.4	§	38.9	§	§	5.8	§	5.6
Other reasons than the above listed (a)	11.8	§	11.9	§	11.1	3.5	§	2.8	§	1.6

**Source:** Statistics Portugal, Labour Force Survey - 4<sup>th</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.



**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			Annual level		Rate of change		
	4Q-2019	3Q-2020	4Q-2020	2019	2020	On year	On quarter	Annual
	Thousands					%		
<b>Total</b>	<b>4,567.8</b>	<b>3,984.9</b>	<b>4,435.8</b>	<b>4,489.1</b>	<b>4,121.9</b>	<b>-2.9</b>	<b>11.3</b>	<b>-8.2</b>
<b>Same number of hours</b>	<b>3,751.5</b>	<b>3,450.3</b>	<b>3,244.2</b>	<b>3,596.9</b>	<b>3,216.1</b>	<b>-13.5</b>	<b>-6.0</b>	<b>-10.6</b>
<b>More hours than usual</b>	<b>226.0</b>	<b>174.9</b>	<b>201.2</b>	<b>198.5</b>	<b>180.7</b>	<b>-11.0</b>	<b>15.0</b>	<b>-9.0</b>
<i>Due to:</i>								
Flexible (working time banking) or variable working hours	71.0	62.2	70.3	65.0	65.2	-1.0	13.0	0.4
Overtime hours	144.5	103.1	122.2	123.3	104.0	-15.4	18.5	-15.7
Other reason	10.5	9.7	8.7	10.3	11.5	-17.1	-10.3	12.0
<b>Fewer hours than usual</b>	<b>590.2</b>	<b>359.7</b>	<b>990.4</b>	<b>693.7</b>	<b>725.1</b>	<b>67.8</b>	<b>175.3</b>	<b>4.5</b>
<i>Due to:</i>								
Annual holidays	64.0	87.9	56.6	77.3	59.7	-11.6	-35.6	-22.8
Bank holidays	354.3	38.4	703.6	453.8	373.6	98.6	1732.3	-17.7
Own illness, injury or temporary disability	29.2	14.7	19.8	26.1	17.4	-32.2	34.7	-33.2
Slack work for technical or economic reasons	26.9	131.1	100.5	31.6	168.0	273.6	-23.3	431.7
Flexible (working time banking) or variable working hours	46.2	40.7	42.1	42.8	38.3	-8.9	3.4	-10.4
Maternity leave/paternity/adoption or parental leave	§	7.6	8.2	§	8.3	§	7.9	§
Other personal or family responsibilities	18.1	12.8	18.3	14.4	15.5	1.1	43.0	8.2
Other reason	9.7	11.7	20.5	19.2	28.3	111.3	75.2	47.6
Other reasons than the above listed (a)	34.9	14.9	20.8	21.4	16.0	-40.3	40.0	-25.3

**Source:** Statistics Portugal, Labour Force Survey - 4<sup>th</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.

**Conventional signs:**

§ Extremely unreliable value.

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

Portugal	Quarterly level			Annual level		Rate of change		
	4Q-2019	3Q-2020	4Q-2020	2019	2020	On year	On quarter	Annual
	Thousands					%		
<b>Inactive population who has not seek work, by reason for not looking</b>	<b>2,540.7</b>	<b>2,621.7</b>	<b>2,599.8</b>	<b>2,555.9</b>	<b>2,660.2</b>	<b>3.2</b>	<b>-0.8</b>	<b>4.1</b>
Awaiting recall to work	15.0	28.6	13.3	16.5	30.4	90.3	-53.6	84.5
Own illness or disability	581.5	556.8	535.0	589.4	548.3	-4.2	-3.9	-7.0
Looking after children or incapacitated adults	93.7	110.0	103.5	95.7	105.8	17.4	-5.9	10.6
Other personal or family responsibilities (e.g. domestic responsibilities)	115.8	110.1	105.8	122.8	112.6	-4.9	-3.9	-8.3
Education or training (includes school holidays)	716.4	707.7	747.3	705.3	733.4	-1.2	5.6	4.0
Retirement	675.8	678.3	672.1	650.7	682.0	0.4	-0.9	4.8
Belief that no work is available	57.4	71.7	75.8	60.9	71.5	24.9	5.7	17.5
Too young	18.7	41.1	17.9	20.3	23.3	120.2	-56.5	14.5
Too old	173.4	181.1	200.4	178.6	186.8	4.5	10.7	4.6
Not worth looking	32.6	36.4	43.2	33.7	40.4	11.8	18.6	19.6
Other reasons	55.2	96.7	82.5	76.1	119.9	75.2	-14.6	57.4
Other reasons than the above listed (a)	§	§	§	§	§	§	§	1.2
<b>Inactive population not available to start working, by reason of unavailability</b>	<b>120.7</b>	<b>119.2</b>	<b>122.7</b>	<b>127.5</b>	<b>137.3</b>	<b>-1.2</b>	<b>2.9</b>	<b>7.6</b>
Cannot leave present employment within two weeks	§	§	§	§	§	§	§	-45.5
Must complete education or training (includes school holidays)	55.8	38.2	59.3	63.0	56.7	-31.5	55.3	-10.0
Personal or family responsibilities (e.g. domestic responsibilities)	21.8	35.6	23.0	22.4	30.5	63.4	-35.3	36.2
Own illness or disability	30.1	29.9	26.3	27.4	27.4	-0.7	-11.9	0.2
Other reason	13.0	15.5	13.6	14.2	22.4	19.6	-12.1	57.6
<b>Non-employed population registered in a IEFP<sup>(b)</sup> public employment office and reason of registration, by labour market status</b>	<b>385.5</b>	<b>448.8</b>	<b>431.6</b>	<b>385.5</b>	<b>433.8</b>	<b>16.4</b>	<b>-3.8</b>	<b>12.5</b>
Unemployed population	230.7	283.5	264.8	226.6	242.6	22.9	-6.6	7.1
Inactive population	154.8	165.3	166.9	158.9	191.2	6.8	1.0	20.3
<i>of which:</i>								
Registered as job-seeker	342.7	421.9	394.8	344.2	399.7	23.1	-6.4	16.1
Unemployed population	229.3	282.8	261.4	224.5	240.6	23.3	-7.6	7.2
Inactive population	113.4	139.2	133.5	119.7	159.2	22.8	-4.1	33.0

**Source:** Statistics Portugal, Labour Force Survey - 4<sup>th</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.

## 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.

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

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

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

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

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

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

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

**Long term unemployment rate:** ratio between the unemployed population seeking employment for 12 months and over and the labour force.

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

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

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

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

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

**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:** 12 May 2021.