

12 May 2021

Employment Statistics

1st quarter of 2021

The labour underutilisation rate stood at 14.1% and the unemployment rate at 7.1%

The employed population (4,681.6 thousand people) has decreased by 1.0% (49.0 thousand) from the previous quarter and by 1.3% (62.6 thousand) from the year before.

The employed population absent from work in the reference week has increased by 49.8% (211.3 thousand) from the previous quarter and by 40.5% (183.2 thousand) from the 1st quarter of 2020. "Slack work for technical or economic reasons (it includes the contract temporary suspension and layoff)" was the main reason. As a consequence, the volume of hours actually worked has decreased by 6.4% from the previous quarter and by 7.9% from a year earlier. On average, each employed person has worked 32 hours per week.

On fifth of the employed population (20.7%; 967.7 thousand people) has worked always or almost always from home using information and communication technologies. In other words, they have worked remotely.

The unemployed population, estimated at 360.1 thousand people, has decreased by 3.5% (13.1 thousand) from the previous quarter and increased by 3.5% (12.0 thousand) from the 1st quarter of 2020.

The unemployment rate stood at 7.1%, down 0.2 percentage points (pp) from the previous quarter and up 0.3 pp from a year earlier.

The labour underutilisation covered 746.4 thousand people, remaining practically unchanged from the previous quarter and increasing by 7.8% (54.3 thousand) from a year before. In turn, the corresponding labour underutilisation rate stood at 14.1% and it has increased both from the previous quarter (0.1 pp) and from a year earlier (1.0 pp).

The inactive population aged 16 and over (3,752.9 thousand people) increased by 1.4% (50.8 thousand) from the previous quarter and by 1.5% (56.0 thousand) from the 1st quarter of 2020.

One year of COVID-19 pandemic in the Labour Market:

- Comparing the COVID-19 pandemic year (from the 2nd quarter of 2020 to the 1st quarter of 2021) with the one before, the employed population has decreased by 2.3% (109.7 thousand).
 - However, the employed population absent from work in the reference week has increased by 59.4% (274.9 thousand).
 - In addition, "slack work for technical or economic reasons (includes layoff)" has become the main reason for being absent from work.
 - As a result of the increase in the employed population absent from work, the volume of hours actually worked has decreased by 12.1%.
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Introduction

In 2021, as in other European Union countries, Statistics Portugal started a new Labour Force Survey data series (LFS), which includes, among other changes, the removal of persons engaged in agriculture and fishing activities exclusively for self-consumption from the employed population and the restriction of the active population to those aged 16 to 89.

To avoid direct comparisons between the estimates from different data series, are published backward revised estimates since the 1st quarter of 2011 resulting from the above mentioned changes as described in the [Press Release](#) of March 9th, 2021 (only available in Portuguese). As a result, the levels of the employed population and of the active population of these new data series are lower than those of the previous series. However, their time pattern remains practically unchanged in recent years.

The changes introduced by the new data series are summarized in page 18 and are presented in more detail in a Note attached to this Press Release.

To better assess the impact of the set of changes introduced in the LFS, Statistics Portugal has carried out during the 1st quarter of 2021, in parallel with the main operation, an additional data collection using the questionnaire from the previous series and a smaller sample. As a result of this assessment, Statistics Portugal may still do further adjustments to the previous data series (LFS2011¹) to obtain retrospective series consistent with the new one.

¹ In force from the 1st quarter of 2011 to the 4th quarter of 2020.

In this Press Release (section B, page 13), after a year when the Portuguese labour market was strongly affected by the COVID-19 pandemic, its presented a short analysis of the employed population, the absent employed population, the reasons for that absence and the volume of worked hours. For that, the values observed from the 2nd quarter of 2020 to the 1st quarter of 2021 were compared with those from the preceding year (from the 2nd quarter of 2019 to the 1st quarter of 2020).

A. General results

1. Labour force (active population)

The Labour Force Survey results for the 1st quarter of 2021 indicate that the labour force (active population), estimated at 5,041.7 thousand people, has decreased by 1.2% (62.1 thousand) from the previous quarter and by 1.0% (50.6 thousand) from the same quarter of 2020.

Therefore, the activity rate of the working age population (those aged 16 to 89) stood at 58.0%, having decreased by 0.5 percentage points (pp) from the prior quarter and by 0.4 pp from the 1st quarter of 2020.

2. Employed population

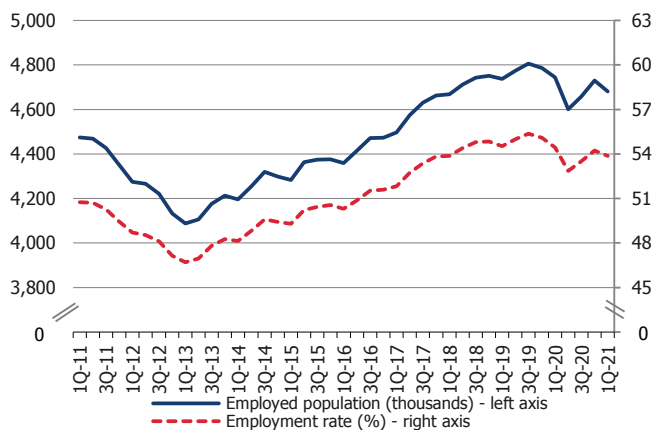
2.1. Quarterly changes

The employed population stood at 4,681.6 thousand people and decreased by 1.0% (49.0 thousand) from the previous quarter, as usually is observed in the first

quarters since 2011, while the employment rate stood at 53.9% and decreased by 0.3 pp.

This change was explained by the decreases recorded mainly in the following groups: women (40.9 thousand; 1.7%); aged 25 to 34 (48.0 thousand; 5.3%); having completed, at most, an education level corresponding to the first or second stages of basic education (55.5 thousand; 3.1%); employed in the manufacturing, electricity, gas and water supply and construction sector (36.5 thousand; 3.0%) – more specifically in the manufacturing activities (47.9 thousand; 5.7%); working as employees (75.7 thousand; 1.9%) with permanent contracts (49.0 thousand; 1.5%); and working full-time (47.1 thousand; 1.1%).

Figure 1: Employed population and employment rate

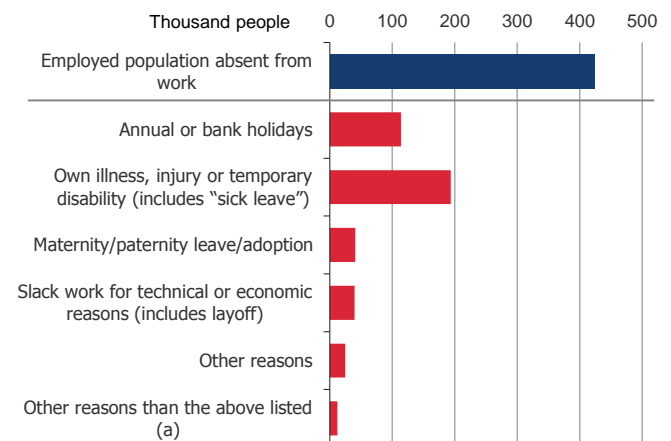


The employed population absent from work in the reference week² was estimated at 635.0 thousand people and represents 13.6% of total employed

² It is possible to be part of the employed population without having worked during the reference week if a formal connection to work is kept. This is assessed by the reason of absence and, in some cases, by one or two additional criteria (income or social benefit received from/due to work, total absence duration or carrying out activities related to seasonal work).

population, 4.6 pp more than in the previous quarter. That population has increased by 49.8% (211.3 thousand) from the previous quarter, not in line with the quarterly decreases usually observed in first quarters since 2011 following the high number of people on vacation at the end of the fourth quarter of each year.

Figure 2: Employed population absent from work by reason of absence in the 1st quarter of 2021



Note:

(a) It includes the following reasons, individually presented to the respondent, but whose values are herein aggregated for being extremely unreliable: flexible working hours; parental leave; job-related training; seasonal work; new job.

Analysing the absence reason in the 1st quarter of 2021 according to a set of pre-defined reasons, it was found that "slack work for technical or economic reasons (it includes the contract temporary suspension and layoff)" was the main reason mentioned by 31.6% (200.4 thousand) of the employed population absent from work, this is by 160.9 thousand more people (407.7%) than in the 4th quarter of 2020, which is not in line with what is usually observed in first quarters when "own illness, injury or temporary disability" is the main reason for absence. The state of emergency, that was in force during the 1st quarter of 2021 and that made difficult to some economic activities to operate as

they normally would, may justify it. However, it should be noted that, slack work was pointed out by fewer people than in the 2nd quarter of 2020, which is the first quarter covered by a declaration of state of emergency (679.4 thousand; 63.1% of employed population absent from work in the reference week).

The increase in the employed population absent from work led to a decrease in the number of hours actually worked, which explains why they were worked an average of 2 hours less per week than in the previous quarter. This corresponds to a quarterly decrease of 6.4% in the volume of hours actually worked. In the 1st quarter of 2021, were worked, on average, 32 hours per week.

Considering the total employed population, over a fifth (21.6%; 1,009.0 thousand) reported having always or almost always worked from home, 87.1% of which due to the COVID-19 pandemic.

Among those working mainly at home, 95.9% (967.7 thousand) used information and communication technologies (ICT) to work. In other words, they have worked remotely. This work practice covered 20.7% of the total employed population, 8.8 pp more than in the previous quarter but still below the 22.6% observed in the 2nd quarter of 2020, which corresponds to the highest share of the employed population in teleworking since this indicator started to be analysed³.

³ This indicator is computed from the data collected in the Labour Force Survey ad hoc module - Working from home, whose collection started in the 2nd quarter of 2020. Other indicators related to this subject are available in the Excel tables published together with the current Press Release.

2.2. Year-on-year changes

From the 1st quarter of 2020, the employed population has decreased by 1.3% (62.6 thousand), interrupting the series of positive year-on-year changes observed in this quarter since 2014.

As a result, the employment rate had negative a year-on-year rate of change of 0.5 pp.

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

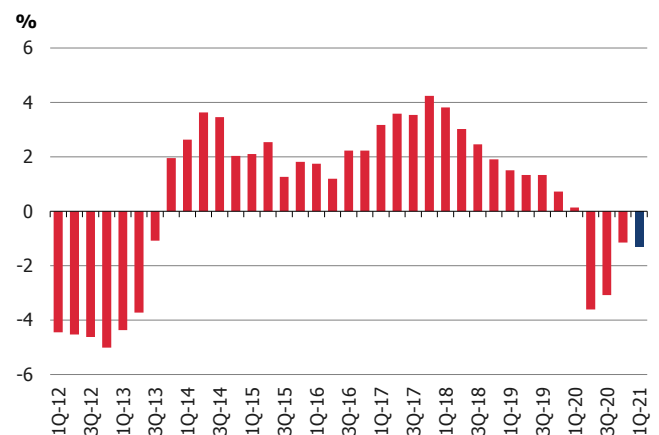


Figure 4 shows the breakdown of the year-on-year change of the employed population by different characterisation variables: sex, age group, highest completed level of education, activity sector, labour status, type of employment contract of employees, and work duration regime. Its reading allows an immediate perception of the part that each population group represents in that variation since the sum of each group's contribution in each characterisation variable equals the year-on-year change of the employed population (represented by the darker colour bar). For example, the number of employed men has decreased by 25.3 thousand and the number of employed women has decreased by 37.3 thousand, explaining the reduction in the employed population of 62.6 thousand

people. Therefore, the year-on-year rate of change of the employed population (-1.3%) can be obtained by adding the contributions of the two groups of the characterisation variable sex (men, whose contribution was -0.5 pp, and women, whose contribution was -0.8 pp) regardless of the annual rate of change registered by each of these population groups.

In summary, for the year-on-year change in the employed population, the variations in the following population groups mainly contributed:

- Employed population of women, which has decreased by 1.6% (37.3 thousand).
- Employed population aged 16 to 24 that reduced by 19.6% (56.7 thousand).
- Employed population that has completed, at most, the first and second stages of basic education and whose reduction was 10.2% and covered 197.7 thousand people.
- Employed population in the services sector that has decreased by 1.0% (33.0 thousand).
- Employees whose number has decreased by 2.1% (84.6 thousand). Among these, the largest decrease occurred in the number of those with a temporary job (work contract of limited duration) (10.2%; 65.6 thousand).
- Full-time workers, whose number has decreased by 1.1% and covered 48.9 thousand people.

Figure 4: Contributions to the year-on-year rate of change of the employed population in the 1st quarter 2021

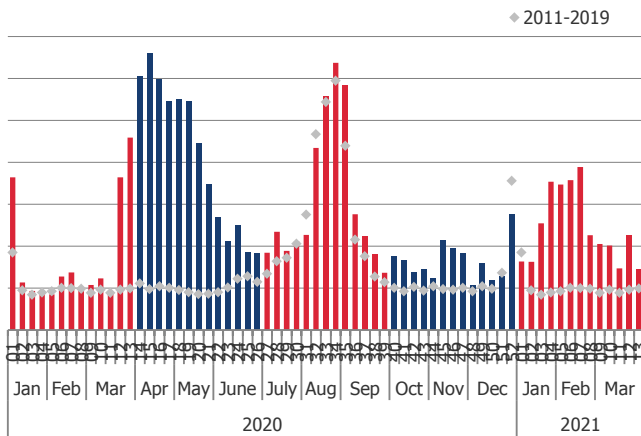


The employed population absent from work in the reference week increased by 40.5% (183.2 thousand) from a year earlier, which corresponds to the largest year-on-year change since 2011.

The most mentioned reason for absence - "slack work for technical or economic reasons (it includes the contract temporary suspension and layoff)" - was also the one with the highest year-on-year variation, having been chosen by 132.1 thousand more people (193.5%) than in the 1st quarter of 2020.

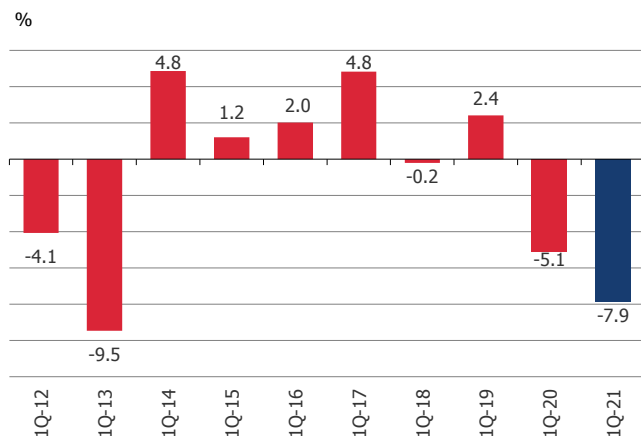
Analysing absences by reference weeks (figure 5), since 2011 there are systematically two peaks evident in each year (variable with seasonal component): one corresponding to weeks 32 to 35 (August and beginning of September) and another to weeks 51 and 52 (end of December), which sometimes also covers the 1st week of the following year.

Figure 5: Employed population absent from work in the reference week - 2020, 2021 and 2011-2019 average



As previously mentioned, during the 1st quarter of 2021 it was in force a state of emergency that restricted the normal functioning of some economic activities. Therefore, the number of employed persons absent from work was higher than the value observed in the equivalent weeks of preceding years, although to a lesser extent than in the 2nd quarter of 2020, when the first state of emergency due to the COVID-19 pandemic was declared.

Figure 6: Year-on-year rate of change in the 1st quarters of each year of the volume of hours actually worked per week



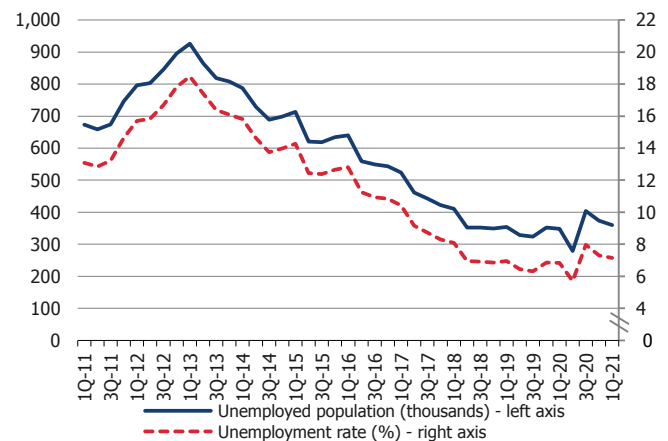
Influenced by the evolution of the employed population absent from work, the average number of hours worked per week in the 1st quarter of 2021 was 2 hours less than the value of the same quarter in 2020, with the volume of hours actually worked decreasing by 7.9%.

3. Unemployed population

3.1. Quarterly changes

The unemployed population (360.1 thousand people) has decreased by 3.5% (13.1 thousand) from the previous quarter.

Figure 7: Unemployed population and unemployment rate



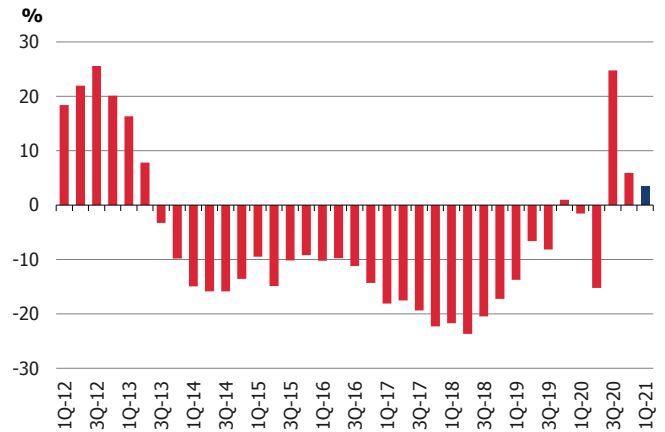
The unemployed population change came from the decreases observed, mainly, in the following groups: women (7.2 thousand; 3.7%); people aged 35 to 44 (12.1 thousand; 16.4%); having completed a degree corresponding to the tertiary education (10.1 thousand; 9.1%); looking for a new job (8.5 thousand; 2.6%); unemployed for 12 months or over (8.1 thousand; 6.3%).

It should be noted that around one third of the unemployed population (33.6%) was in this situation for 12 months or longer (long-term unemployment), down 1.0 pp from the quarter before.

The unemployment rate for the 1st quarter of 2021 stood at 7.1%⁴, which corresponds to a decrease by 0.2 pp from the 4th quarter of 2020.

Identical rate of change had the youth unemployment rate (16 to 24 years old), estimated at 24.1%, down 0.2 pp from the previous quarter.

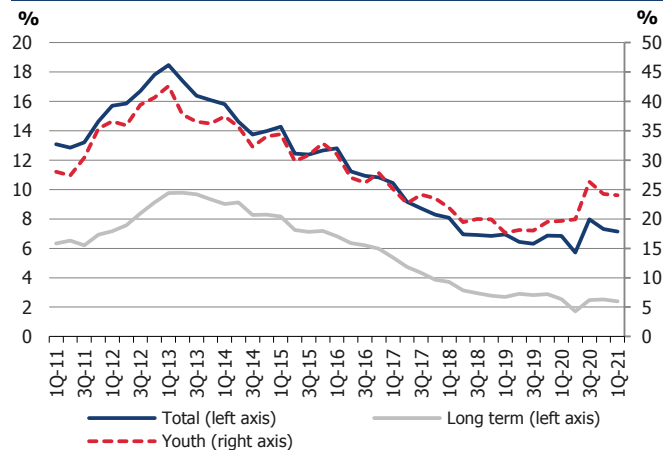
Figure 9: Unemployed population year-on-year rate of change



To the year-on-year evolution of the unemployed population contributed mainly the following population groups (Figure 10):

- Unemployment of men that has increased by 8.7% (14.0 thousand).
- Unemployment of those aged 25 to 34, whose increase stood at 20.7% (18.6 thousand).
- Unemployed population having completed a tertiary education degree, which rose by 34.1% covering 25.5 thousand people.
- Unemployed persons looking for a new job. This group has increased by 3.2% (10.0 thousand), which explained 83.3% of total unemployment increase.
- Persons unemployed for less than 12 months, whose number has rose by 9.6% (21.0 thousand).

Figure 8: Unemployment rate

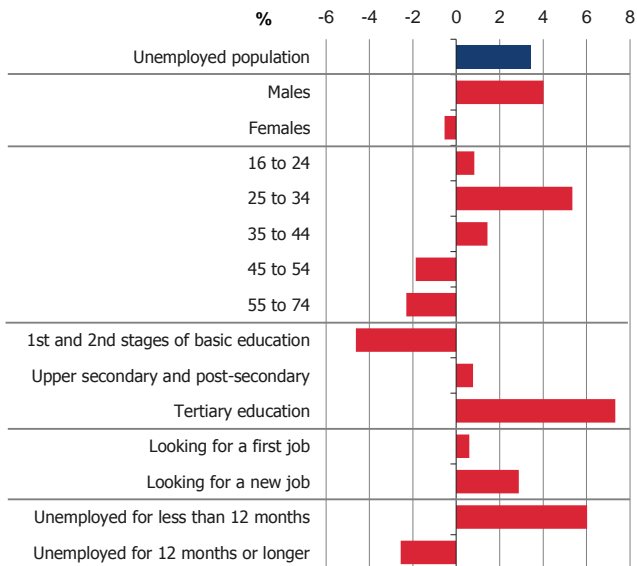


3.2. Year-on-year changes

From the same quarter of 2020, the unemployed population has increased by 3.5% (12.0 thousand), contradicting the year-on-year decreases usually observed in the first quarters since 2014.

⁴ This unemployment rate was calculated for those aged 16 to 89 (in line with the concepts in force of the International Labour Organization). The unemployment rate for the moving quarter centered in February 2021 (which corresponds to the 1st quarter 2021), published in the Press Release of March 2021 (released in 29-4-2021), was calculated for the age subgroup of those aged 16 to 74 (as in the Eurostat News Release). This rate (not seasonally adjusted) was 7.2%.

Figure 10: Contributions to the year-on-year rate of change of the unemployed population in the 1st quarter 2021



From the 1st quarter of 2020, the unemployment rate increased by 0.3 pp. In turn, the unemployment rate of young people aged 16 to 24 has increased by 4.4 pp, while the share of people unemployed for 12 months or longer (long-term unemployment) has decreased by 3.7 pp.

In the 1st quarter of 2021, the unemployment rate was higher than the national average in three NUTS II regions of the country (*Algarve*: 10.2%; *Região Autónoma da Madeira*: 9.6%; *Norte*: 7.4%), stood at the same value in *Alentejo* (7.1%) and was below it in the remaining regions - *Área Metropolitana de Lisboa* (6.9%), *Região Autónoma dos Açores* (6.8%) and *Centro* (6.2%).

When comparing to a year earlier, the unemployment rate has increased in four of the seven regions. The two largest year-on-year increases were observed in *Região Autónoma da Madeira* (3.7 pp) and in *Algarve* (2.6 pp).

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

	1Q-2020	4Q-2020	1Q-2021
Portugal	6.8	7.3	7.1
Norte	7.0	7.2	7.4
Centro	6.3	6.1	6.2
Área Metropolitana de Lisboa	7.1	7.7	6.9
Alentejo	6.5	7.6	7.1
Algarve	7.6	10.0	10.2
Região Autónoma dos Açores	7.3	5.5	6.8
Região Autónoma da Madeira	5.9	11.2	9.6

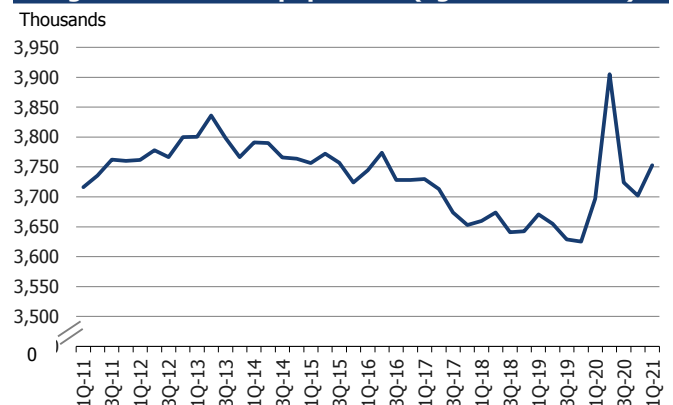
Source: Statistics Portugal, Labour Force Survey - 1st quarter of 2021.

4. Inactive population

The inactive population, estimated at 5,235.8 thousand people in the 1st quarter of 2021 has increased both from the previous quarter (0.7%; 34.3 thousand) and from the same quarter of 2020 (0.8%; 43.9 thousand).

The inactive population aged 16 or over stood at 3,752.9 thousand people, accounting for 71.7% of total inactive population and following a similar pattern: it has increased by 1.4% (50.8 thousand) from the previous quarter and by 1.5% (56.0 thousand) from the 1st quarter of 2020.

Figure 11: Inactive population (aged 16 and over)



To find out what kind of inactivity subgroups of the 4th quarter of 2020 moved to unemployment in the 1st quarter of 2021, 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 1st quarter of 2021, 16.4% of those who, in the 4th quarter of 2020, were in the group “Potential workforce” moved to unemployment. These are non-employed persons who, in the 4th 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 1st quarter of 2021, 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 9.9% of those who, in the 4th quarter of 2020, were in the group “Potential workforce”.

In addition, it should be noted that 42.6% of those in “Potential workforce” in the 4th quarter of 2020 moved to “Other inactivity” group in the 1st quarter of 2021 being further away from the labour market, which implies they have stopped actively searching for work or that they have ceased to be available to start working in the reference period.

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

	Unit: %
	1Q-2021
Stayed in employment	94,8
Employment - Potential workforce	0,9
Employment - Other inactivity	2,4
Stayed in Unemployment	54,5
Unemployment - Potential workforce	14,3
Unemployment - Other inactivity	7,2
Stayed in Potential workforce	31,0
Potential workforce - Employment	9,9
Potential workforce - Unemployment	16,4
Potential workforce - Other inactivity	42,6
Stayed in Other inactivity	94,2
Other inactivity - Employment	2,6
Other inactivity - Unemployment	0,9
Other inactivity - Potential workforce	2,3

Source: Statistics Portugal, Labour Force Survey - 1st quarter of 2021.

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”.

The inactivity rate (16 years old or over) stood at 42.7%, having increased both from the previous quarter (0.7 pp) and from the same period of 2020 (0.6 pp).

5. Quarterly flows between labour market status

5.1. Gross and net flows (number of persons)

From the 4th quarter of 2020 to the 1st quarter of 2021, 92.1 thousand persons moved from employment to unemployment and 154.6 thousand moved from employment to inactivity. Therefore, the number of persons moving out of employment, within a quarter, was 246.7 thousand.

At the same time, the employment inflows from unemployment were 89.6 thousand persons, while

those from inactivity were 109.2 thousand. Hence, the number of persons moving into employment, within this quarter, was 198.8 thousand.

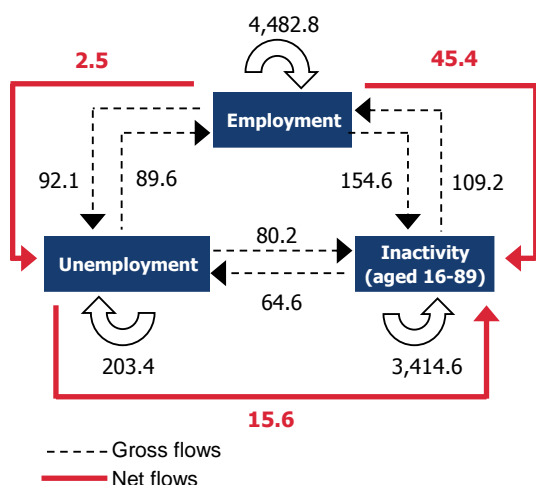
As a consequence, between the two quarters there was a negative net flow into employment (that is, total inflows minus total outflows) of 47.9 thousand persons⁵.

The unemployment inflows from employment (92.1 thousand) were larger than those from inactivity (64.6 thousand). The unemployment outflows to employment (89.6 thousand) were also higher than those to inactivity (80.2 thousand).

From these estimates analysis, it is possible to conclude that:

- The employment quarterly decrease resulted from the negative net flow both between employment and inactivity (45.4 thousand) and between employment and unemployment (2.5 thousand).
- On the other hand, the unemployment decrease between quarters (13.1 thousand) was explained by the negative net flow between unemployment and inactivity (15.6 thousand) having more than compensate the positive net flow between unemployment and employment (2.5 thousand). In other words, in net terms, the outflows from unemployment to inactivity more than compensated for the unemployment inflows from employment.

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



Similarly, also the net flow into unemployment was negative and comprised 13.1 thousand people (which corresponds to the unemployed population quarterly change), and resulted from the number of people becoming unemployed (156.7 thousand) being smaller than the total of those leaving that status (169.8 thousand).

5.2. Transition rates (%)

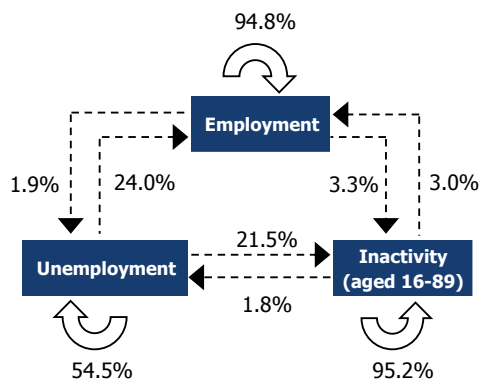
From the 4th quarter of 2020 to the 1st quarter of 2021, 1.9% of the people initially employed moved into unemployment and 3.3% moved into inactivity, with the proportion of employed persons moving out of this situation totalling 5.2% in the 1st quarter of 2021 (94.8% remained employed; which corresponds to 4,482.8 thousand people, as in Diagram 1).

From the total of unemployed persons in the 4th quarter of 2020, 45.5% moved out of this labour market state in the 1st quarter of 2021: 24.0% became employed and 21.5% moved into inactivity.

⁵ With the introduction of an upper age limit in the working age population, all 89-year-old classified as employed in a given quarter are automatically included in the inactive population in the following quarter if they have turned 90 in the meantime. Since the quarterly flows methodology considers only the same individuals in two consecutive quarters within the age group of 16 to 89, the employed population quarterly change may not fully coincide with the net flow into employment. However, this does not affect the analysis carried out.

From the total of people aged 16 to 89 considered to be inactive in the 4th quarter of 2020, 3.0% moved into employment and 1.8% moved into unemployment in the 1st quarter of 2021.

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



6. 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 work⁶. This indicator is supplemented by its corresponding rate – the labour underutilisation rate⁷.

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 rate⁸.

In the 1st quarter of 2021, the labour underutilisation was estimated at 746.4 thousand people and the corresponding rate was 14.1%.

The labour underutilisation remained practically unchanged from the previous quarter but it has increased by 7.8% (54.3 thousand) from the previous year. In turn, the labour underutilisation rate has increased both from the previous quarter (0.1 pp) and from a year earlier (1.0 pp).

By component, the following is observed:

- The unemployed population was estimated at 360.1 thousand people and, as previously mentioned, decreased by 3.5% (13.1 thousand) from the previous quarter and increased by 3.5% (12.0 thousand) from the same quarter of 2020. The unemployment rate was 7.1%, down 0.2 pp from the previous quarter and up 0.3 pp from a year earlier.
- The number of underemployed part-time workers was 144.2 thousand people, 10.0% (16.1 thousand) less than in the previous quarter and 8.4% (13.2 thousand) less than in the year-on-year comparison.

⁶ 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>

⁷ See concepts in the technical note.

⁸ 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 19th International Conference of Labour Statisticians, but does it for the age group 15 to 74.

- The number of inactive persons seeking work but not immediately available stood at 29.9 thousand. It has increased by 38.8% (8.4 thousand) from the 4th quarter of 2020 and by 40.9% (8.7 thousand) from the 1st quarter of 2020.
- The number of inactive persons available to work but not seeking a job (212.2 thousand) has increased by 10.5% (20.2 thousand) from the previous quarter and by 28.2% (46.8 thousand) from a year earlier.

previous quarter (33.4 thousand) and from the same quarter of 2020 (32.7 thousand).

Table 2: Labour underutilisation by component			
Portugal	Quarterly level		
	1Q-2020	4Q-2020	1Q-2021
Number	Thousands		
Total	692.1	747.0	746.4
Unemployed population	348.1	373.2	360.1
Underemployed part-time workers	157.4	160.3	144.2
Persons seeking work but not immediately available	21.2	21.5	29.9
Persons available to work but not seeking	165.4	192.0	212.2
Rate	%		
Unemployment rate	6.8	7.3	7.1
Labour underutilisation rate	13.1	14.0	14.1

Source: Statistics Portugal, Labour Force Survey - 1st quarter of 2021.

7. Young people not in employment, education or training

In the 1st quarter of 2021, from the total of 2,103.1 thousand young people aged 16 to 34, 12.4% (261.8 thousand) were not in employment, education or training. Regarding the labour market, they were classified as unemployed (49.6%) or as part of the inactive population (50.4%).

The rate of young people not in employment, education or training has increased by 1.5 pp both from the

Table 3: Young people aged 16 to 34 not in employment, education or training			
Portugal	Quarterly level		
	1Q-2020	4Q-2020	1Q-2021
Number	Thousands		
Total	229.1	228.4	261.8
Males	103.5	114.9	138.9
Females	125.6	113.6	122.9
16 to 19	13.9	17.3	13,5 §
20 to 24	70.5	74.5	75.9
25 to 34	144.7	136.6	172.4
First and second stages of basic education (at most)	84.6	74.6	86.2
(Upper) secondary and post-secondary non-tertiary education	88.5	98.1	114.2
Tertiary education	56.0	55.7	61.5
Unemployed population	116.2	119.3	129.9
Inactive population	112.9	109.1	131.9
Rate	%		
Total	10.9	10.9	12.4
Males	9.8	11.0	13.1
Females	12.0	10.8	11.8
16 to 19	3.2	4.1	3,2 §
20 to 24	12.8	13.2	13.5
25 to 34	13.0	12.3	15.5
First and second stages of basic education	12.8	13.7	15.5
(Upper) secondary and post-secondary non-tertiary education	9.9	10.8	12.9
Tertiary education	10.2	8.6	9.3
Proportion of			
Unemployed population	50.7	52.2	49.6
Inactive population	49.3	47.8	50.4

Source: Statistics Portugal, Labour Force Survey - 1st quarter of 2021.

Conventional signs:

§ Value with low reliability.

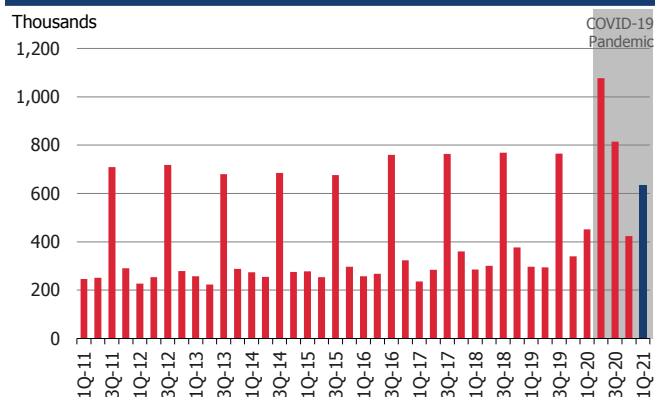
B. One year of COVID-19 pandemic in the Labour Market

In February 2021, 12 months were completed in which the Portuguese labour market was strongly affected by the pandemic COVID-19. Therefore, Statistics Portugal compares the values of the employed population and three other employment indicators, those that better describe the impact of the COVID-19 pandemic, observed after the beginning of the pandemic period (from the 2nd quarter of 2020 to the 1st quarter of 2021) and in the four quarters prior to the pandemic period (from the 2nd quarter of 2019 to the 1st quarter of 2020).

In the pre-pandemic year, the employed population was estimated at 4,736.2 thousand people, having increased by 0.9% (41.6 thousand) from the previous year (from the 2nd quarter of 2018 to the 1st quarter of 2019). In turn, during the pandemic period, the employed population covered 4,668.1 thousand people, 2.3% (109.7 thousand) less than in the immediately preceding period.

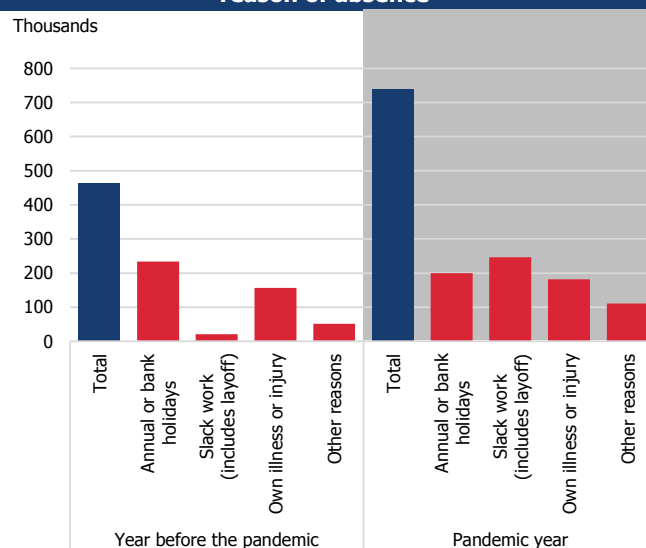
On the other hand, during the pre-pandemic year, the employed population absent from work in the reference week was estimated at 462.9 thousand people, having increased by 6.2% (27.1 thousand) from the previous year. However, during the pandemic period, the employed population absent from work covered 737.8 thousand people, 59.4% (274.9 thousand) more than in the immediately preceding period.

Figure 12: Employed population absent from work in the reference week



The main reason for the absence from work during the pre-pandemic year were the “annual or bank holidays”, mentioned by 234.2 thousand people (50.6% of the employed population absent from work in the reference week). The reason “slack work for technical or economic reasons (includes layoff)” covered only 20.7 thousand people, 1.3% of the employed population absent from work.

Figure 13: Employed population absent from work by reason of absence

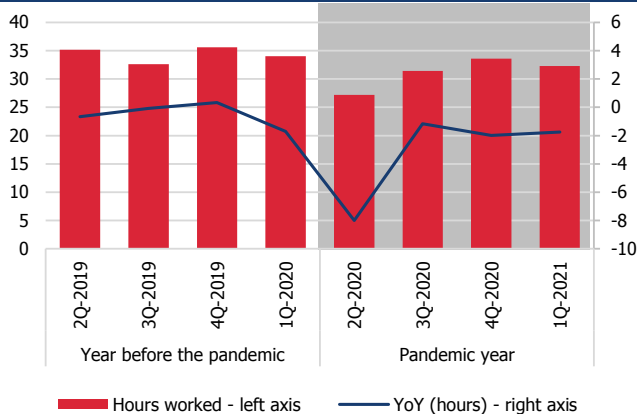


However, during the pandemic period, the “slack work for technical or economic reasons (includes layoff)” was the most quoted reason for work absence, chosen by 33.4% of the employed population absent from work, covering 246.4 thousand people. This estimate corresponds to twenty times the one observed a year earlier (225.7 thousand).

In the year before the pandemic, an average of 34 hours per week were worked, an identical value to the year immediately before (35 hours), which corresponded to a slight year-on-year decrease of 0.6% in the volume of hours actually worked.

However, during the pandemic year, due to the strong increase in the employed population absent from work, an average of 3 hours per week less were worked, with the volume of hours actually worked having decreased by 12.1% from a year earlier.

Figure 14: Hours actually worked, on averaged, per week and their year-on-year change (YoY)



One year of COVID-19 pandemic: from the 2 nd quarter of 2020 to the 1 st quarter of 2021					
	Two years before	One year before	Pandemic year	Year-on-year change	
				One year before	Pandemic year
	Thousand people			%	
Employed population absent from work	435.8	462.9	737.8	6.2	59.4
<i>Due to:</i>					
Annual or bank holidays	225.3	234.2	199.3	3.9	-14.9
Own illness, injury or temporary disability (includes “sick leave”)	157.1	156.5	181.6	-0.4	16.1
Slack work for technical or economic reasons (includes layoff)	5.5	20.7	246.4	277.4	1,091.3
Other reason than the above listed					
	Average hours per week				
Number of hours actually worked	35	34	31		

Source: Statistics Portugal, Labour Force Survey - 1st quarter of 2021.

Note:

- The values presented correspond to annual averages composed by the following quarters: 2Q, 3Q and 4Q of year N-1 and 1Q of year N.

Table 4: Main indicators - active and employed population

Portugal	Quarterly level			Rate of change	
	1Q-2020	4Q-2020	1Q-2021	On year	On quarter
	Thousands			%	
Labour force (active population)	5,092.3	5,103.8	5,041.7	- 1.0	- 1.2
Males	2,552.8	2,555.4	2,541.4	- 0.4	- 0.5
Females	2,539.4	2,548.3	2,500.3	- 1.5	- 1.9
16 to 24	361.0	326.9	307.2	- 14.9	- 6.0
25 to 34	1,001.7	1,012.5	973.2	- 2.8	- 3.9
35 to 44	1,328.4	1,298.7	1,284.4	- 3.3	- 1.1
45 to 54	1,347.6	1,371.6	1,371.9	1.8	o
55 to 64	886.8	923.9	929.2	4.8	0.6
65 to 89	166.7	170.2	175.8	5.5	3.3
First and second stages of basic education (at most)	2,092.5	1,931.1	1,878.7	- 10.2	- 2.7
Upper secondary and post-secondary non-tertiary education	1,541.9	1,521.0	1,514.3	- 1.8	- 0.4
Tertiary education	1,457.9	1,651.7	1,648.7	13.1	- 0.2
Activity rate (%)	58.4	58.5	58.0		
Males	62.8	62.9	62.5		
Females	54.7	54.7	54.1		
Employed population	4,744.2	4,730.6	4,681.6	- 1.3	- 1.0
Males	2,391.6	2,374.4	2,366.3	- 1.1	- 0.3
Females	2,352.6	2,356.2	2,315.3	- 1.6	- 1.7
16 to 24	290.0	247.6	233.3	- 19.6	- 5.8
25 to 34	912.0	913.0	865.0	- 5.2	- 5.3
35 to 44	1,271.8	1,224.9	1,222.7	- 3.9	- 0.2
45 to 54	1,282.3	1,308.7	1,313.1	2.4	0.3
55 to 64	826.8	869.2	874.5	5.8	0.6
65 to 89	161.3	167.2	173.1	7.3	3.5
First and second stages of basic education	1,944.3	1,802.1	1,746.6	- 10.2	- 3.1
(Upper) secondary and post-secondary non-tertiary education	1,416.8	1,387.1	1,386.6	- 2.1	o
Tertiary education	1,383.1	1,541.4	1,548.4	12.0	0.5
Agriculture, forestry and fishing (a)	135.4	127.4	125.0	- 7.7	- 1.9
Manufacturing, electricity, gas and water supply and construction (a)	1,195.0	1,212.3	1,175.8	- 1.6	- 3.0
Services (a)	3,413.8	3,390.8	3,380.8	- 1.0	- 0.3
Employees	4,053.6	4,044.7	3,969.0	- 2.1	- 1.9
With a permanent job (work contract of unlimited duration)	3,279.7	3,334.4	3,285.4	0.2	- 1.5
With a temporary job (work contract of limited duration)	643.0	582.7	577.4	- 10.2	- 0.9
Other contractual arrangements	130.9	127.6	106.2	- 18.9	- 16.8
Self-employed workers	676.4	672.8	678.8	0.4	0.9
Unpaid family workers	14.3	13.2	33.8	137.4	157.3
Full-time workers	4,353.7	4,351.9	4,304.8	- 1.1	- 1.1
Part-time workers	390.5	378.7	376.8	- 3.5	- 0.5
Underemployed part-time workers	157.4	160.3	144.2	- 8.4	- 10.0
Employment rate (%)	54.4	54.2	53.9		
Males	58.8	58.5	58.2		
Females	50.6	50.6	50.1		

Source: Statistics Portugal, Labour Force Survey - 1st quarter of 2021.

Note:

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

Conventional signs:

o Less than half of the unit used.

Table 5: Main indicators - unemployed and inactive population

Portugal	Quarterly level			Rate of change	
	1Q-2020	4Q-2020	1Q-2021	On year	On quarter
	Thousands			%	
Unemployed population	348.1	373.2	360.1	3.5	-3.5
Males	161.2	181.1	175.2	8.7	-3.3
Females	186.8	192.1	184.9	-1.0	-3.7
16 to 24	71.0	79.3	73.9	4.1	-6.9
25 to 34	89.7	99.4	108.3	20.7	8.9
35 to 44	56.7	73.8	61.7	8.8	-16.4
45 to 54	65.3	62.9	58.8	-9.9	-6.5
55 to 74	65.4	57.7	57.4	-12.2	-0.5
First and second stages of basic education (at most)	148.2	128.9	132.1	-10.9	2.5
Upper secondary and post-secondary non-tertiary education	125.0	133.9	127.7	2.1	-4.6
Tertiary education	74.8	110.4	100.3	34.1	-9.1
Looking for a first job	39.5	46.2	41.6	5.3	-9.9
Looking for a new job	308.5	327.0	318.5	3.2	-2.6
Unemployed for less than 12 months (short-term)	218.1	244.1	239.1	9.6	-2.0
Unemployed for 12 months or longer (long-term)	129.9	129.1	121.0	-6.9	-6.3
Unemployment rate (%)	6.8	7.3	7.1		
Males	6.3	7.1	6.9		
Females	7.4	7.5	7.4		
Youth (16 to 24)	19.7	24.3	24.1		
Long-term	2.6	2.5	2.4		
Inactive population	5,191.9	5,201.5	5,235.8	0.8	0.7
Inactive population (16 and over)	3,696.9	3,702.1	3,752.9	1.5	1.4
Males	1,534.4	1,528.5	1,552.6	1.2	1.6
Females	2,162.5	2,173.6	2,200.3	1.7	1.2
16 to 24	632.6	657.7	684.7	8.2	4.1
25 to 34	110.0	100.1	138.0	25.4	37.8
35 to 44	119.2	118.9	122.6	2.8	3.1
45 to 54	187.3	173.9	177.6	- 5.2	2.1
55 to 64	531.1	504.9	501.4	- 5.6	- 0.7
65 to 89	2,040.5	2,063.8	2,025.2	- 0.8	- 1.9
Students (16 to 89)	709.1	689.6	739.9	4.3	7.3
Fulfilled domestic tasks (16 to 89)	340.8	348.2	343.9	0.9	- 1.2
Retired (16 to 89)	1,761.8	1,827.5	2,032.0	15.3	11.2
Other inactive	885.2	836.8	637.1	- 28.0	- 23.9
Persons seeking work but not immediately available	21.2	21.5	29.9	40.9	38.8
Persons available to work but not seeking	165.4	192.0	212.2	28.2	10.5
Inactivity rate (16 and over) (%)	42.1	42.0	42.7		
Males	37.5	37.4	37.9		
Females	46.0	46.0	46.8		

Source: Statistics Portugal, Labour Force Survey - 1st quarter of 2021.

Population aged 16 to 89 absent from work in the reference week, by labour market status and absence reason						
Portugal	Quarterly level			Structure		
	1Q-2020	4Q-2020	1Q-2021	1Q-2020	4Q-2020	1Q-2021
	Thousands			%		
Total	471.6	432.7	671.9	100.0	100.0	100.0
Employed population	451.8	423.7	635.0	95.8	97.9	94.5
Unemployed population	x	x	15.4	x	x	2.3
Inactive population	17.7	8,0 §	21.6	3.8	1,9 §	3.2
Employed population absent from work	451.8	423.7	635.0	100.0	100.0	100.0
<i>Due to:</i>						
Annual or bank holidays	106.1	113.6	56.6	23.5	26.8	8.9
Own illness, injury or temporary disability (includes "sick leave")	176.2	193.5	189.5	39.0	45.7	29.8
Maternity/paternity leave/adoption	39.7	40.8	26.6	8.8	9.6	4.2
Slack work for technical or economic reasons (includes layoff)	68.3	39.5	200.4	15.1	9.3	31.6
Other reasons (a)	48.7	24.4	128.3	10.8	5.8	20.2
Other reasons than the above listed (b)	12.8	11.9	33.5	2.8	2.8	5.3

Source: Statistics Portugal, Labour Force Survey - 1st quarter of 2021.

Note:

(a) In the 2020 quarters it includes the following reasons, for example: marriage leave, general government special mobility - "supernumerary plan", pre-retirement, irregular/occasional activity. In the 1st quarter of 2021 it includes, among other: bad weather, strike, unpaid leave, leave for taking care of family member (not parental leave), pre-retirement, military reserve.

(b) In the 2020 quarters 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. In the 1st quarter of 2021 it includes: flexible working hours; parental leave; job-related training; seasonal work; new job.

Conventional signs:

§ Value with low reliability.
x Not available.

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 19th 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 these changes was 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).

Among the characteristics that are preserved, are the sample and the quarterly rotation scheme (1/6 in each quarter). Therefore, 5/6 of the 1st quarter of 2021 sample has answered to the LFS in the 4th quarter of 2020.

Nonetheless, to assess the impact of the data series change, Statistics Portugal carried out during the 1st quarter of 2021, in parallel with the main operation, a pilot survey using the questionnaire of the previous data series (LFS2011, in force between the 1Q2011 and the 4Q2020) and a smaller sample. As a result of this assessment, these two simultaneous statistical operations may determine additional adjustments, beside those related with the change of the reference age group of active population and the reclassification of those engaged in agriculture and fishing activities for self-consumption, in the previous series in order to obtain backward revised time series consistent with the new one.

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 16 and 74 who during the reference period met simultaneously the following situations:

- neither had a job nor was at work;
- had actively sought work, i.e. had actively searched for a paid or unpaid job during the specified period (reference period or the three previous weeks); and
- was available for a paid and unpaid job.

Employed: person aged 16 to 89 who, during the reference period, was in one of the following situations:

- worked for at least one hour for a wage or salary, in cash or in kind (including unpaid family work);
- had a formal attachment to his/her job but was not at work temporarily;
- was in early retirement but working in the reference week.

Working age resident population: Resident population aged 16 to 89.

Active: person aged 16 to 89 who, during the reference period, furnish the supply of labour force for the production of economic goods and services (was employed or unemployed).

Labour force: population formed by all active persons.

Extended labour force: corresponds to the 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. All these population groups consider the age group 16 to 74.

Young people not in employment, education or training: population of young people of a given age group who, 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)

Activity rate of the working age population: rate that defines the relation between the labour force and the working age population.

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

Employment rate: rate that defines the relation between the employed population and the working age population.

$$\text{E.R. (\%)} = (\text{Employed population} / \text{Working age population}) \times 100$$

Unemployment rate: rate that defines the relation between the unemployed population and the labour force.

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

Long term unemployment rate: rate that defines the relation between the unemployed population seeking employment for 12 months or over and the labour force.

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

Inactivity rate of the working age population: rate that defines the relation between the working age inactive population and the working age total population.

$$\text{I.R. (\%)} = (\text{Working age inactive population} / \text{Working age population}) \times 100$$

Labour underutilisation rate: rate that defines the relation between the labour underutilisation and the extended labour force.

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

Rate of young people not in employment, education or training: rate that defines the relation 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 change

The 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 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 change

The quarterly change compares the level of the variable over two consecutive periods. Although this indicator allows to monitor the recent pace of the variable, its computation is particularly influenced by seasonal effects and other more specific effects in one (or both) of the quarters under comparison.

Next Press Release: 11 August 2021.