



## 15.1% OF SELF-EMPLOYED WORKERS IN ECONOMICAL DEPENDENCE AND 11.4% IN ORGANIZATIONAL DEPENDENCE

From the total of 687.3 thousand self-employed workers in 2021, 10.1% (69.2 thousand) stated that they had, in the last twelve months, only one client, 3.7% (25.8 thousand) had between 2 to 9 clients, one of which was dominant, and 1.3% (9.1 thousand) had 10 or more clients, one of which was dominant. In other words, 15.1% (104.1 thousand) of self-employed workers had a client which represented 75% or more of their income (after taxes), an indicator of economic dependence.

Of that total of self-employed workers, 72.4% (497.8 thousand) declared that they determine their daily working hours without restrictions, 16.1% (110.9 thousand) that their working hours are determined by circumstances other than their clients (by legal provisions, for example) and 11.4% (78.6 thousand) that it is their clients who establish their working hours, an indicator of organizational dependence.

In 2021, a new series of the Labour Force Survey began, introducing some changes to this statistical operation<sup>1</sup>, of which stand out, for the purposes of this Press Release, the modularization of the questionnaire (which now includes questions of different periodicities), the introduction, redefinition and elimination of variables, and the implementation of a subsampling strategy in the estimation of non-quarterly variables.

With this Press Release, Statistics Portugal begins the annual disclosure of some variables with an annual or biennial periodicity, collected through a subsampling strategy. Among those collected in 2021, Statistics Portugal selected two on self-employment – the number and importance of clients and who defines the daily working hours – in order to assess the degree of independence of this type of work.

### 1. Introduction

In January 2021, the countries of the European Statistical System have started, in a coordinated manner and in conjunction with Eurostat, the collection of a new data series of the Labour Force Survey (LFS), following the adoption of new concepts at the International Labour Organization level and the publication of a set of European regulations to operationalise them.

<sup>1</sup> For a more detail analysis of the novelties introduced by the new Labour Force Survey data series, see the document attached to the Press Release “Employment Estimates – 1<sup>st</sup> quarter of 2021” available at <http://www.ine.pt/xurl/dest/472918526>.



Although this new data series has not introduced major changes to the conceptual framework underlying the LFS, it still presents some novelties, among which the following stand out within the scope of the present Press Release:

- Introduction of a subsampling strategy (wave approach) to estimate non-quarterly variables in order to reduce the respondents' burden. This principle was also present in the reformulation of the questionnaire and in some methodological changes.
- Introduction of new variables; redefinition of variables; elimination of some variables; definition of core (that is, that are applied equally in all household surveys) and standardised (that are applied equally in only some of the household surveys) variables, to deepen the comparability of results internationally and between surveys.
- Questionnaire modularisation by incorporating questions with different periodicity: quarterly, annual, biennial and eight-yearly (regular modules every 8 years and ad hoc modules every 4).

The remaining characteristics of the LFS remain unchanged, such as its goals, nature and methodology, which are described in detail in the LFS Methodological Document<sup>2</sup>.

With this Press Release, Statistics Portugal publishes the results of the annual variables collected, in 2021, through a subsampling strategy.

## 2. Self-employed work in 2021

Among the annual and biennial variables collected according to the aforementioned subsampling system, in 2021, Statistics Portugal selected, for disclosure in this Press Release, two variables that measure the impact of clients on the activity of self-employed workers, namely the existence of clients who, alone, represent a high share of the worker's income and who stipulate the worker's working hours.

From the total of 687.3 thousand self-employed workers in 2021, 65.4% (449.4 thousand) had 10 or more clients and none of them was considered dominant, that is, none of them individually represented 75% or more of the workers income (after paying taxes).

On the other hand, 10.1% (69.2 thousand) of self-employed workers stated that, in the last twelve months, they only had one client, 3.7% (25.8 thousand) had between 2 and 9 clients, one of which dominant, and 1.3% (9.1 thousand) had 10 or more clients, also one of which was dominant. In other words, 15.1% (104.1 thousand) of the self-employed workers had a dominant client.

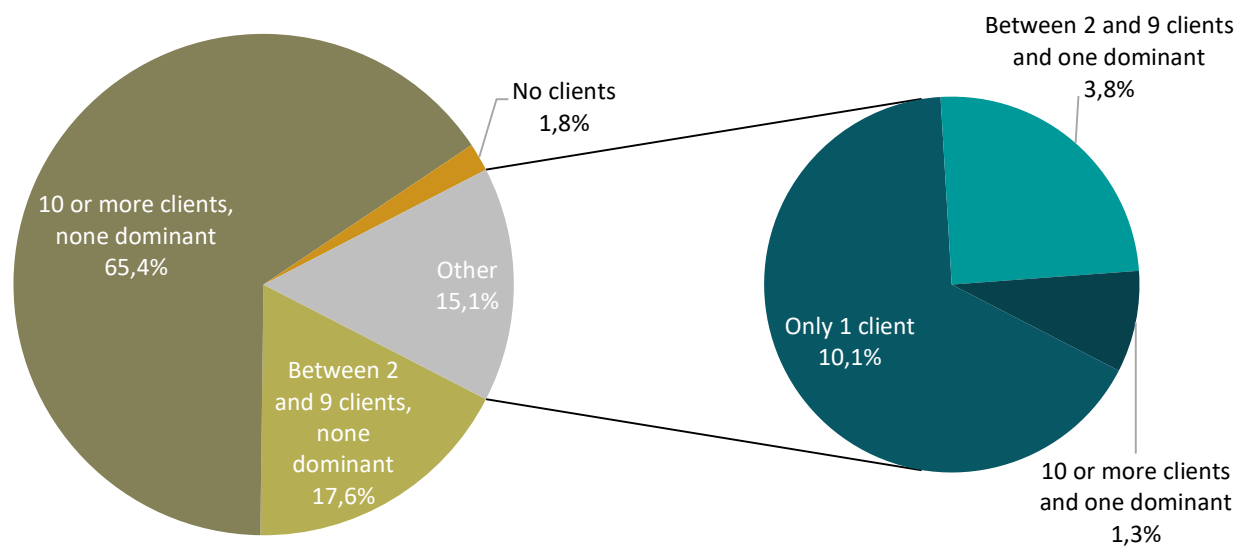
<sup>2</sup> Available at <https://smi.ine.pt/DocumentacaoMetodologica/Detalhes/1572>.



Analyzing these results by sex, it is observed that more men have clients with a decisive impact in their activity, since, among these, 10.4% had only 1 client in twelve months (9.6% in the case of women) and 4.4% had 2 to 9 clients, one of which was dominant (2.6% of women)<sup>3</sup>.

Considering the economic sectors, the existence of a single customer was more prevalent in the primary sector (36.0%), while in the tertiary sector it was observed that it was more common to have 10 or more customers, none of which was dominant (74.3%).

Figure 1. Self-employed workers by number and importance of clients in the last 12 months

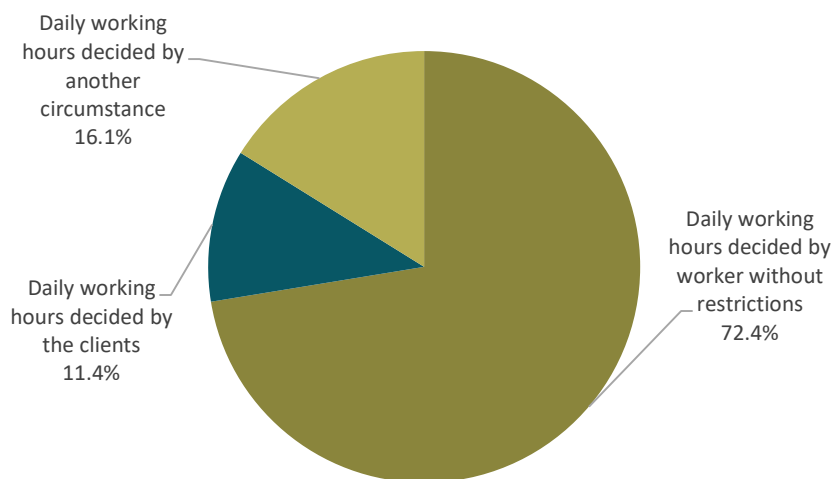


Source: Statistics Portugal, Labour Force Survey – 2021.

Another of the measures that contribute to the analysis of the impact of clients on the activity of self-employed workers concerns the determination of daily working hours

<sup>3</sup> For more information on the Self-employed workers by number and importance of clients in the last 12 months, see the tables in the Excel file attached to this Press Release.

Figure 2. Self-employed workers according to who decides the daily working hours



Source: Statistics Portugal, Labour Force Survey – 2021.

From the total of 687.3 thousand self-employed workers, 72.4% (497.8 thousand) considered that they determine their daily working hours without restrictions, 16.1% (110.9 thousand) that their working hours are determined by circumstances other than their clients (for example, legal provisions) and 11.4% (78.6 thousand) that there are their clients who establish their working hours.

The two measures analyzed, economic dependence (a single client or the existence of a dominant client) and organizational dependence (clients who determine the daily working hours), are part of the indicator on “economically dependent self-employed persons”, which corresponds to the number of self-employed workers economically dependent on a single client or on a dominant client, with that client determining the daily working hours<sup>4</sup>.

In 2021, this indicator covered 18.6 thousand people, which corresponded to 0.4% of the total employed population and 2.7% of the self-employed workers.

Economic dependence is more frequent in men (16.7%) than in women (12.5%), in young people aged 16 to 34 (30.5%), in individuals who have completed tertiary education (20.7%) and in those working in the agriculture, forestry and fishing sector (47.0%). On the other hand, organizational dependence is more common in women (13.2%) than in men (10.4%), in young people (15.3%) and in the service sector (14.1%). No differences are worth mentioning by level of education.

<sup>4</sup> Eurostat restricts this indicator to the self-employed persons without employees. Considering this population group, in 2021, the indicator “economically dependent self-employed persons” covered to 18,1 thousand people, representing 0.4% of the total employed population, 2.6% of self-employed workers and 4. 1% of self-employed workers without employees.



Table 1. Self-employed workers by economic and organizational dependence

	Annual sample 2021					
	Total	Organizational dependence	Organizational independence	Total	Organizational dependence	Organizational independence
	Thousands			%		
<b>Total</b>	<b>687.3</b>	<b>78.6</b>	<b>608.7</b>	<b>100.0</b>	<b>11.4</b>	<b>88.6</b>
Economic dependence	<b>104.0</b>	18.6	85.4	<b>15.1</b>	2.7	12.4
Economic independence	<b>583.3</b>	60.0	523.3	<b>84.9</b>	8.7	76.1

Source: Statistics Portugal, Labour Force Survey – 2021.

### 3. Sampling strategy for the annual, biennial and 8-yearly variables

The LFS sample is divided into six subsamples (called “waves”), and in each quarter a subsample is replaced by a new one (selected under the same design) after being observed for six consecutive quarters. This rotation design introduces a longitudinal component, thus allowing the follow-up of persons who remain in the sample for a maximum period of one and a half year.

The new wave approach strategy consists of surveying non-quarterly variables only in the entry wave of each quarter, thus allowing each respondent to be asked about that variable only once during the six quarters in which he/she participates in the LFS.

The variables surveyed under the wave approach strategy are of annual, biennial or eight-yearly periodicity and their results refer to one year, making use of the four entry waves that were collected during that year (one in each quarter).

Due to this particularity, the results obtained for these variables for some population groups (such as, for example, the number of employees or of self-employed workers) may not coincide with those corresponding to the averages of the four quarters of the year, for which the full sample was used (the 2021 results were released with those of the 4<sup>th</sup> quarter of 2021<sup>5</sup>). However, as indicated in the Methodological Note below, consistency was ensured between the estimates of annual averages and the annual estimates obtained by subsampling (wave approach) at the level of employment status (employed, unemployed, inactive population), by sex and some age groups.

<sup>5</sup> The Press Release “Employment Statistics – 4<sup>th</sup> quarter of 2021” was published at February 9<sup>th</sup>, 2022 (at <http://www.ine.pt/xurl/dest/472918611>) and the indicators based in annual averages were published in the same day at [www.ine.pt](http://www.ine.pt), tab Products / Database, theme: Labour Market.



#### 4. List of variables and questionnaire modularisation

Most of the variables existing in LFS2011 remain in LFS2021, making it possible to continue its analysis. In addition, new variables, more in line with current data needs, were added. However, not wanting to increase the questionnaire dimension and thus the respondent burden, the less asked for variables are no longer collected.

Among the new information that is now collected, the following stand out:

- The health module, collected every two years (even years), consisting of three questions about health status, limitations and their duration.
- A set of questions on the migratory context, complementing the existing quarterly questions. Asked every two years (odd years), this set includes questions on the reason for coming to Portugal and the existence of work before coming to Portugal.
- A set of biennial questions (even years) on the participation in education and training activities in the last 12 months (as in AES<sup>6</sup>), in addition to the quarterly questions about the last 4 reference weeks. These questions are fundamental for the calculation of public policy monitoring indicators in this area.
- Annual questions about working hours, which were previously questioned only in the context of an ad hoc module.
- A set of annual questions on economically dependent self-employment. These questions are intended to assess the number of clients of self-employed workers, the existence of clients who, alone, represent a high share of the worker's income and who stipulates the worker's working hours (if clients or him/herself).
- Questions, asked every year, about work experiences at a workplace as part of the education degree curriculum, their duration and payment.

As observed in this set of new variables and as previously stated, the LFS questionnaire was modularised integrating more questions but of different periodicity: quarterly, annual (alternating between even and odd years), biennial and eight-yearly. The last type of periodicity includes collecting regular modules every 8 years on pre-defined topics, whose evolution is to be monitored, and ad hoc modules on free topics, defined at the European level according to the need for information in a given period in time. These free topics are not repeated, but new subjects can be collected every 4 years.

Among the information that is no longer collected as it is not usually requested by LFS users, the following stand out:

- Marital status.

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<sup>6</sup> Adult Education Survey.



- The module on the situation a year earlier, which collected the place of residence, the labour status, the occupation status and the economic activity of the workplace. This information can be obtained by taking advantage of the longitudinal character of the LFS sample.
- The reason for working less or more hours than usual.
- The number of overtime hours worked. In LFS2021, only the number of hours worked more than usual during the week is asked, while the number of hours worked less on any day of the week is not discounted.
- To the employed population looking for another job is no longer asked:
  - whether they are looking for a new job as an employee or as self-employed; at full or part-time.
  - the reason for searching for a new job;
  - if they are actively looking for a new job.

Finally, it should be noted that there is a reduced set of variables whose collection frequency has been reduced from quarterly to annual or biennial, as they refer to information of a more structural nature. Of this group, the following stand out:

- The reason why employees have a limited-time employment contract (now collected annually).
- The reason why part-time workers (underemployed or not) and non-employed persons who are not actively seeking work or who are not available to work in the reference period need to care for children or other dependent relatives (ill, disabled or elderly relatives) (annual).
- Questions about atypical schedules (shift, evening, night, Saturday or Sunday work) (biennial, odd years).
- Questions about the previous professional experience of non-employed persons (occupation, workplace economic activity, occupation status and existence of employees) (annual).
- The education and training field of study of the secondary education, post-secondary non-tertiary education or tertiary education degree completed (annual).

The availability of these variables is possible upon request and upon analysis of the reliability of the estimates obtained.



Table 2. Self-employed workers by economic and organizational dependence and several characterization variables

Characterization variables	Annual sample 2021				
	Total	Economic dependence	Economic independence	Organizational dependence	Organizational independence
	Thousands				
<b>Total</b>	<b>687.3</b>	<b>104.0</b>	<b>583.3</b>	<b>78.6</b>	<b>608.7</b>
<b>Sex</b>					
Males	431.9	72.2	359.7	44.8	387.2
Females	255.4	31.8	223.6	33.8	221.5
<b>Age groups</b>					
16-34 anos	63.2	19,3 §	43.9	9,7 §	53.5
35-64 anos	533.3	73.8	459.6	58.5	474.8
65-89 anos	90.8	11,0 §	79.8	10,4 §	80.4
<b>Highest completed level of education</b>					
First and second stages of basic education (at most)	356.9	49.3	307.7	37.6	319.3
Upper secondary and post-secondary non-tertiary education	162.0	19,9 §	142.2	20,3 §	141.8
Tertiary education	168.4	34.9	133.5	20,7 §	147.6
<b>Main activity (NACE Rev.2)</b>					
Agriculture, forestry and fishing	59.1	27.8	31.3	x	58.5
Manufacturing, electricity, gas and water supply and	148.1	23.3	124.8	10,2 §	137.9
Services	480.1	53.0	427.2	67.8	412.3
	%				
<b>Total</b>	<b>100.0</b>	<b>15.1</b>	<b>84.9</b>	<b>11.4</b>	<b>88.6</b>
<b>Sex</b>					
Males	100.0	16.7	83.3	10.4	89.7
Females	100.0	12.5	87.5	13.2	86.7
<b>Age groups</b>					
16-34 anos	100.0	30,5 §	69.5	15,3 §	84.7
35-64 anos	100.0	13.8	86.2	11.0	89.0
65-89 anos	100.0	12,1 §	87.9	11,5 §	88.5
<b>Highest completed level of education</b>					
First and second stages of basic education (at most)	100.0	13.8	86.2	10.5	89.5
Upper secondary and post-secondary non-tertiary education	100.0	12,3 §	87.8	12,5 §	87.5
Tertiary education	100.0	20.7	79.3	12,3 §	87.6
<b>Main activity (NACE Rev.2)</b>					
Agriculture, forestry and fishing	100.0	47.0	53.0	x	99.0
Manufacturing, electricity, gas and water supply and	100.0	15.7	84.3	6,9 §	93.1
Services	100.0	11.0	89.0	14.1	85.9

Source: Statistics Portugal, Labour Force Survey – 2021.

Note: The estimates in the total column correspond to the sum of estimates related to economic dependence (yes/no) or to organizational dependence (yes/no).

**Conventional signs:**

§ Value with low reliability.

X Not available.





## TECHNICAL NOTE

The main purpose of the Labour Force Survey (LFS) 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. Until the first fortnight of March 2020, the data were collected 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. Following the COVID-19 pandemic and the measures adopted by the competent authorities, Statistics Portugal has decided, as of that date and until further notice, to suspend the face-to-face collection mode, replacing it exclusively with the telephone interview one.

The LFS sample is divided into six subsamples (rotations/waves), and in each quarter a subsample is replaced by a new one (selected under the same design) after being observed for six consecutive quarters. This rotation design introduces a longitudinal component, thus allowing the follow-up of persons who remain in the sample for a maximum period of one and a half year.

The subsampling strategy (wave approach) consists of taking advantage of the organization of the LFS sample in waves. This feature enables the construction of an annual microdata base composed of four subsamples corresponding to the wave that enters in the sample for the first time (new rotation) in each quarter. This means that, in each quarter, the annual, biennial and eight-yearly questions will be placed only in 1/6 of the quarterly sample's households (new rotation). In subsequent interviews, only quarterly questions will be applied to these households, regardless of the result of the first interview. Therefore, the microdata base with non-quarterly questions will only be complete after the end of the 4<sup>th</sup> quarter of each year.

This methodology makes it possible to reduce the statistical burden on families and, consequently, the interview time, as they only respond to the entire questionnaire in only one of the six survey quarters (in the quarter in which they enter the sample for the first time).

The weighting factors of persons in the subsample wave approach are adjusted to ensure their consistency with the weighting factors for the annual averages obtained from the complete sample at labour status level (employed, unemployed and inactive population), sex (male, female) and age groups (16-24, 25-34, 35-44, 45-54, 55-64).

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

**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.

**Self-employed person:** an individual who pursues an independent occupation, alone or with 1, or various, associates, benefiting from a remuneration that is directly linked to profits (gained or potential) from goods or services produced and who, in general, does not hire employees to work with him/her. The associates may or may not be immediate family members.

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