



AROUND ONE IN FIVE (21.2%) UNEMPLOYED PERSONS IN THE 1ST QUARTER OF 2022 MOVED INTO EMPLOYMENT IN THE 2ND QUARTER OF 2022

Out of all those persons who were unemployed in the 1st quarter of 2022, 56.5% (174.4 thousand) remained in that state in the 2nd quarter of 2022, 21.2% (65.3 thousand) moved into employment and 22.3% (68.8 thousand) moved into inactivity.

Approximately one in three short-term unemployed (29.1%; 48.3 thousand) and one in seven persons belonging to the “potential workforce” (14.3%; 23.7 thousand) in the 1st quarter of 2022 moved into employment in the 2nd quarter of 2022.

In the same period, 10.4% (75.0 thousand) of all those persons who were self-employed in the previous quarter became employee. On the other hand, 1.8% (73.4 thousand) of all employees moved to self-employment.

At the same time, 18.1% (55.8 thousand) of all unemployed moved to employee.

Out of all those employees who, in the 1st quarter of 2022, had a temporary work contract or other contractual arrangement, 20.6% (137.1 thousand) moved into a permanent work contract in the 2nd quarter of 2022.

Around one in six part-time workers (17.0%; 65.9 thousand) in the 1st quarter of 2022 changed to a full-time work in the 2nd quarter of 2022.

The percentage of persons who remained employed between the 1st and the 2nd quarter of 2022, but changed job, decreased by 0.1 p.p. compared to the last two quarters, standing at 3.5% (167.1 thousand).

Out of all those persons who were employed in the 1st quarter of 2022, 96.6% (4,736.3 thousand, as in Figures 1 and 2 and in Table 1 in the annex) remained in that state in the 2nd quarter of 2022, while 0.9% (43.5 thousand) moved into unemployment and 2.5% (121.0 thousand) changed into inactivity.

At the same time, 56.5% (174.4 thousand) of all unemployed remained unemployed, while 21.2% (65.3 thousand) moved to employment and 22.3% (68.8 thousand) to inactivity.

As a result, the net flow of employment (that is, total inflows minus total outflows) was negligible (as the quarterly change of the employed population). On the other hand, the net flow of unemployment was negative and estimated at 9.6 thousand persons (as the quarterly change of the unemployed population), which results from the total of persons who moved into unemployment (124.4 thousand) having been lower than the total number of those who left that state (134.1 thousand).

Figure 1. Quarterly labour market flows (thousand persons)

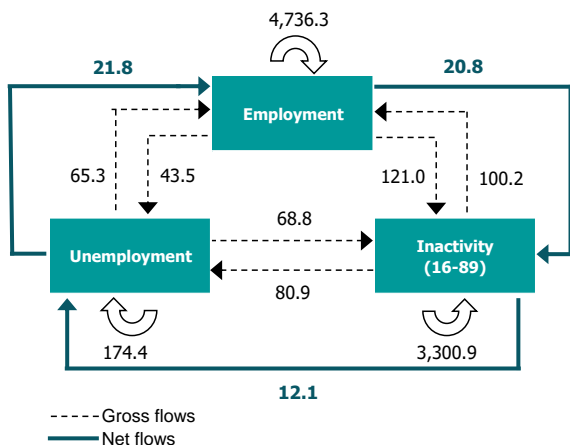
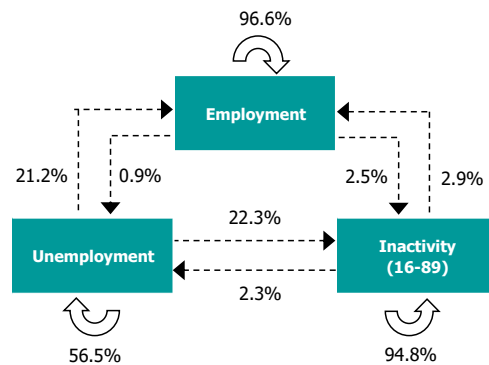


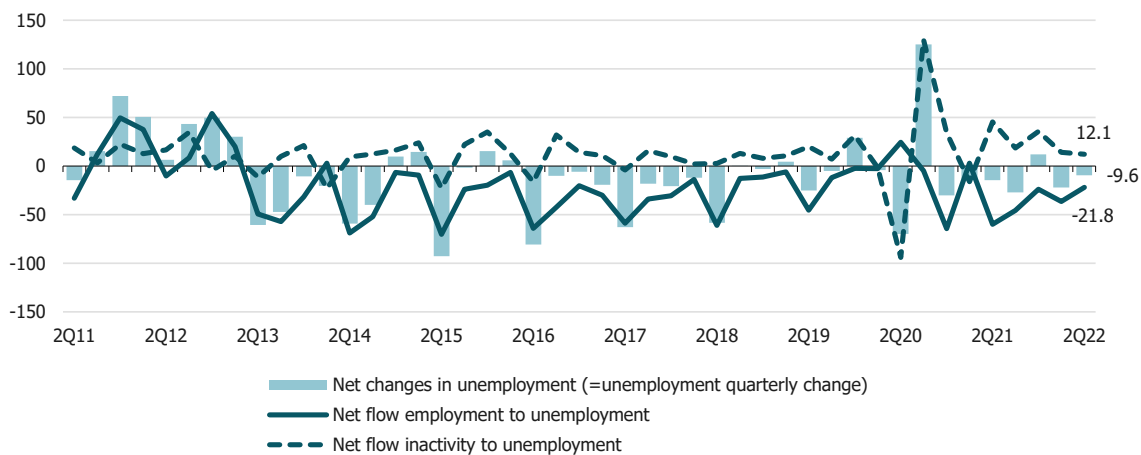
Figure 2. Quarterly labour market flows (in % of initial status)



Source: Statistics Portugal, Labour Force Survey - 2nd quarter of 2022.

Figure 3 shows the quarterly changes and net flows into unemployment since the beginning of the 2011 series, thus allowing the identification of the flows that most contribute to increase or decrease in unemployment. With the exception of a few quarters, in particular the 2nd and 3rd quarter of 2020 (beginning of the COVID-19 pandemic), it turns out that the net flow between employment and unemployment is the one that most contributes to the change in unemployment.

Figure 3. Quarterly net flows into unemployment (thousand persons)



Source: Statistics Portugal, Labour Force Survey - 2nd quarter of 2022.

Figure 4 shows that approximately one in three short-term unemployed (29.1%) and one in seven persons belonging to the “potential workforce” (14.3%) in the 1st quarter of 2022 changed into employment in the 2nd quarter of the same year. In the same period, 11.9% of the long-term unemployed and 2.3% of other inactive also moved into employment.

Figure 4. Quarterly flows between employment, duration of unemployment and type of inactivity (in % of initial status)

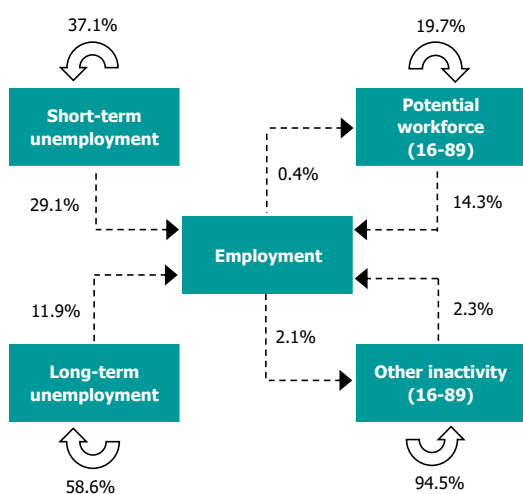
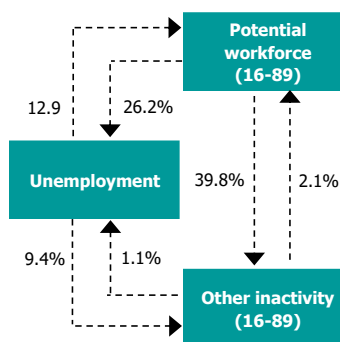


Figure 5. Quarterly flows between unemployment and type of inactivity (in % of initial status)



Source: Statistics Portugal, Labour Force Survey - 2nd quarter of 2022.

Notes:

Potential workforce - the group of inactives available to work, but not looking for a job 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”.

According to Figure 5, 26.2% of all those in the “potential workforce” in the 1st quarter of 2022 moved into unemployment in the 2nd quarter of 2022. Those are persons who, in the 1st quarter of 2022, did not actively search for a job or did not show availability to start working in the reference week or in the following two weeks if they had found a job and who, in the 2nd quarter of 2022, began to fulfill both criteria (active search and availability to start working), thus integrating the unemployed population.

It should also be noted that 39.8% of those who were in the “potential workforce” in the 1st quarter of 2022 moved to the “other inactivity” in the 2nd quarter of 2022, which means that they no longer actively search for a job or are available to start working in the reference period, thus staying further away from the labour market.

Figure 6 shows the quarterly flows from short-term and long-term unemployment to employment (in % of the initial state) referring to the harmonized series since 2011. In the case of the transition from short-term unemployment to employment, there was a decrease of 4.3 pp compared to the previous quarter and 11.9 pp



compared to the same quarter of the previous year. Similarly, the transition from long-term unemployment to unemployment also decreased in relation to the two comparison periods: 5.3 pp and 4.5 pp, respectively.

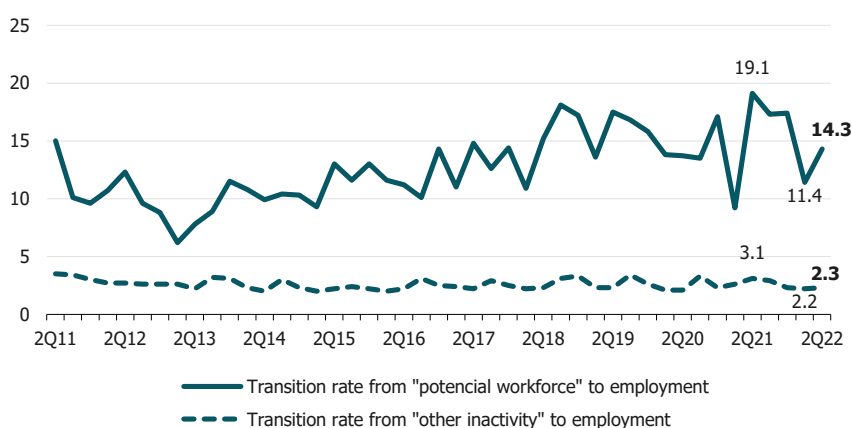
Figure 6. Quarterly flows between unemployment duration and employment (in % of initial status)



Source: Statistics Portugal, Labour Force Survey - 2nd quarter of 2022.

In the case of flows to employment by type of inactivity (Figure 7), the results indicate an increase of 2.9 pp in the transition from the “potential workforce” to employment between the previous quarter and the current quarter. Compared to the same quarter of the previous year, this flow decreased by 4.8 pp.

Figure 7. Quarterly flows between inactivity type and employment (in % of initial status)



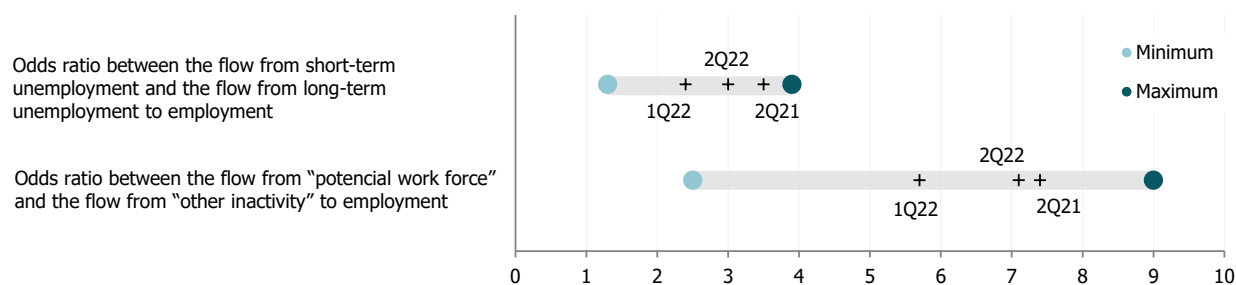
Source: Statistics Portugal, Labour Force Survey - 2nd quarter of 2022.



Figure 8 shows the quarterly odds ratio between the flow from short-term unemployment to employment with the flow from long-term unemployment to employment. It was found that the probability of an unemployed person for less than 12 months in the 1st quarter of 2022 becoming an employee in the 2nd quarter of 2022 was 3.0 times the the probability of an unemployed person for 12 or more months having the same transition. In the previous quarter, this value stood at 2.4 and in the same quarter of the previous year at 3.5.

In the same way, the probability of an inactive person in the “potential workforce” group moving into employment in the 2nd quarter of 2022 was 7.1 times that of a person in the “other inactivity” group, having the value increased compared to the previous quarter (5.7) and decreased compared to the same quarter of the previous year (7.4).

Figure 8. Odds ratio between the flow from short-term unemployment and the flow from long-term unemployment to employment and between the flow from “potential work force” and the flow from “other inactivity” to employment



Source: Statistics Portugal, Labour Force Survey - 2nd quarter of 2022.

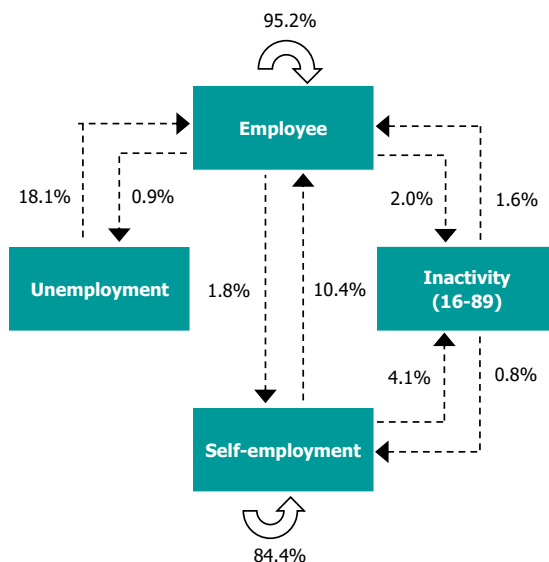
In addition to the information disclosed in the last Press Release, on May 18, 2022, regarding the quarterly flows by professional status (employee and self-employment), the movements between these states and unemployment and inactivity are also presented (Figure 9). However, for reasons of low reliability, estimates regarding the flows between self-employment and unemployment are not published (these are transitions with little expression in the labour market).

Thus, from the 1st to the 2nd quarter of 2022, 10.4% (75.0 thousand) of those self-employed became employee. On the other hand, 1.9% (76.1 thousand) of those who were employee moved to self-employment.

At the same time, 18.1% (55.8 thousand) of all unemployed moved to employee.

Out of all those employees in the 1st quarter of 2022, 2.0% (81.0 thousand) moved into inactivity in the 2nd quarter of 2022, while 4.1% (29.8 thousand) of those who were self-employed moved into inactivity.

Figure 9. Quarterly flows between professional status, unemployment and inactivity (in % of initial status)



Source: Statistics Portugal, Labour Force Survey - 2nd quarter of 2022.

According to Figure 10, the percentage of self-employed workers who, in the 2nd quarter of 2022, moved to employment increased by 0.8 pp compared to the previous quarter, having decreased by 0.8 pp compared to the same period of the previous year.

Figure 10. Quarterly flows by professional status (in % of initial status)



Source: Statistics Portugal, Labour Force Survey - 2nd quarter of 2022.



Of all employees that had a temporary job or other contractual arrangement in the 1st quarter of 2022, 20.6% (137.1 thousand) moved to a permanent work contract in the 2nd quarter of 2022.

Figure 11. Quarterly flows by permanency of the job (in % of initial status)



Source: Statistics Portugal, Labour Force Survey - 2nd quarter of 2022.

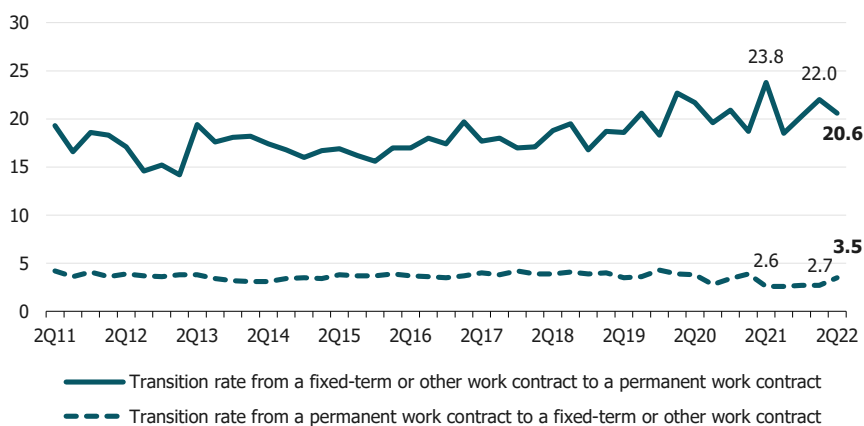
Notes:

Permanent job - employees with a permanent job or work contract of unlimited duration.

Temporary job - employees with a temporary job or other contractual arrangement of limited duration.

Figure 12 shows that the percentage of employees who had a fixed-term employment contract or other contractual arrangement and moved to a permanent work contract in the 2nd quarter of 2022 decreased by 1.4 pp and 3.2 pp compared to the previous quarter and the same quarter of the previous year, respectively.

Figure 12. Quarterly flows by permanency of the job (in % of initial status)



Source: Statistics Portugal, Labour Force Survey - 2nd quarter of 2022.

From the 1st to the 2nd quarter of 2022, 17.0% (65.9 thousand) of all workers with a part-time job moved to a full-time job. At the same time, 15.4% (39.1 thousand) of all employees with a part-time job changed to a full-time job.

Figure 13. Quarterly flows between full-time and part-time workers (in % of initial status)

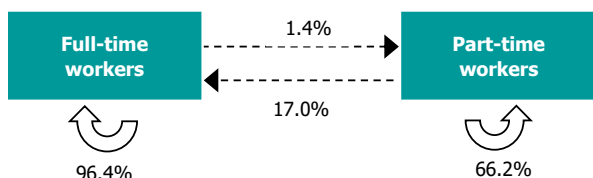
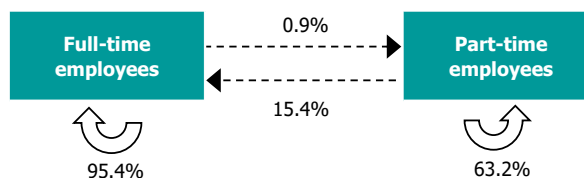


Figure 14. Quarterly flows between full-time and part-time employees (in % of initial status)



Source: Statistics Portugal, Labour Force Survey - 2nd quarter of 2022.

Compared to the previous quarter, the flow from part-time to full-time workers decreased by 2.0 pp, while in comparison to the same quarter of the previous year the decrease was 7.2 pp. Considering the employees, this flow had an identical behavior, decreasing by 1.7 pp and 6.0 pp compared to the same periods, respectively.

Figure 15. Quarterly flows between full-time and part-time workers and employees (in % of initial status)

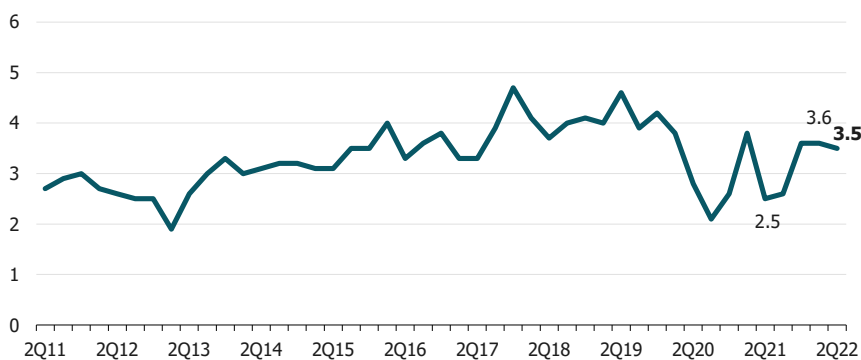


Source: Statistics Portugal, Labour Force Survey - 2nd quarter of 2022.

The percentage of persons who remained in employment between the 1st and the 2nd quarter of 2022, but changed job, was 3.5% (167.1 thousand), having decreased by 0.1 pp compared to the previous period and increased by 1.0 pp compared to the same quarter of the previous year.

This indicator includes persons who, not having moved directly from one job to another, may have been, within a quarter, temporarily unemployed or inactive before moving to a new job. It excludes, however, persons whose work contracts were renewed with the companies where they worked or with temporary work companies, as they do not constitute a change of employer. The quarterly job-to-job transition rate allows defining the relationship between the employed population moving from one job to another within a quarter and the quarterly flow from employment to employment.

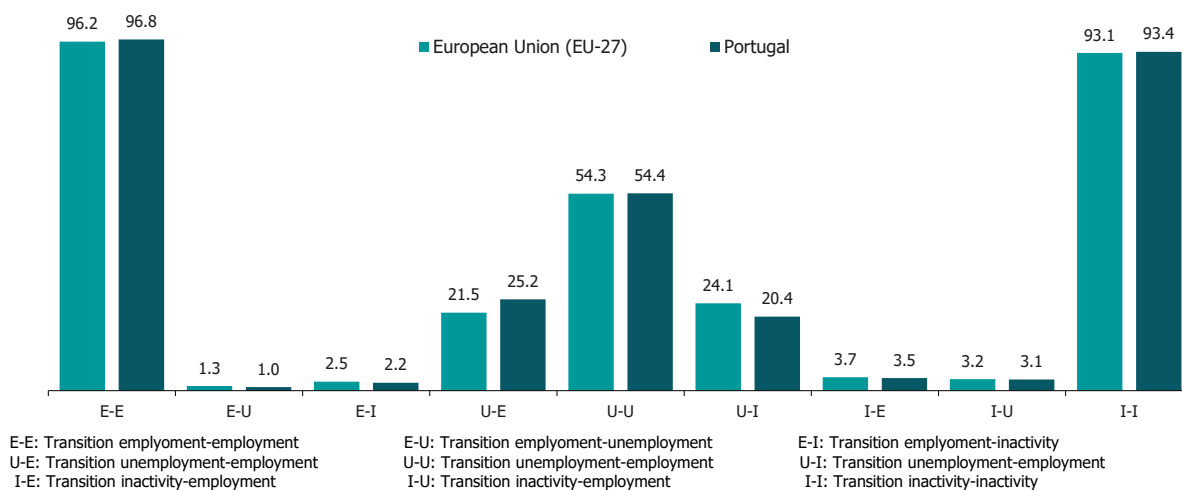
Figure 16. Quarterly job-to-job transition rate (in % of transition employment - employment)



Source: Statistics Portugal, Labour Force Survey - 2nd quarter of 2022.

The results of the 1st quarter of 2022, released by Eurostat on 5 July 2022¹ concerning the quarterly labour market flows of the population aged between 15 and 74 for comparison between Portugal and the European Union purposes, indicate that 25.2% of those who were unemployed in Portugal in the 4th quarter of 2021 moved into employment, this figure being 3.7 pp higher than that of the European Union (21.5%). In the same period, around one in five persons in unemployment in Portugal changed to inactivity (20.4%), while in the European Union this flow was around one in four (24.1%).

Figure 17. Labour market flows in the 1st quarter of 2022 in the European Union (EU-27) and Portugal (population aged 15 to 74; in % of initial status)



Source: Eurostat, Transitions in labour market status in the EU, 2021Q4-2022Q1 (population aged 15-74; in % of initial status) [LFSI_LONG_Q].

¹ The European Union Labour Market Flows for the 2nd quarter of 2022 will be released by Eurostat on 4 October 2022. For Portugal, those aged 15 in the 1st quarter of 2022 are included in the inactivity into inactivity flow (remain in inactivity).



Table 1. Quarterly labour market flows

Portugal	Quarterly value			Rate of change	
	2Q-2021	1Q-2022	2Q-2022	On year	On quarter
Flows	Thousand people			%	
Transition employment - employment	4,539.8	4,725.2	4,736.3	4.3	0.2
Transition employment - unemployment	58.1	48.3	43.5	-25.0	-9.8
Transition employment - inactivity	83.8	105.5	121.0	44.5	14.7
Transition unemployment - employment	117.9	84.7	65.3	-44.7	-22.9
Transition unemployment - unemployment	185.7	178.7	174.4	-6.1	-2.4
Transition unemployment - inactivity	56.5	67.3	68.8	21.8	2.2
Transition inactivity - employment	152.8	91.1	100.2	-34.5	10.0
Transition inactivity - unemployment	101.9	81.5	80.9	-20.6	-0.7
Transition inactivity - inactivity	3,399.1	3,308.6	3,300.9	-2.9	-0.2
Flows	In % of initial status			pp	
Transition employment - employment	97.0	96.8	96.6	-0.4	-0.2
Transition employment - unemployment	1.2	1.0	0.9	-0.3	-0.1
Transition employment - inactivity	1.8	2.2	2.5	0.7	0.3
Transition unemployment - employment	32.7	25.6	21.2	-11.5	-4.4
Transition unemployment - unemployment	51.6	54.0	56.5	4.9	2.5
Transition unemployment - inactivity	15.7	20.4	22.3	6.6	1.9
Transition inactivity - employment	4.2	2.6	2.9	-1.3	0.3
Transition inactivity - unemployment	2.8	2.3	2.3	-0.5	-
Transition inactivity - inactivity	93.0	95.0	94.8	1.8	-0.2

Source: Statistics Portugal, Labour Force Survey - 2nd quarter of 2022.



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), 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.

Estimates of quarterly flows between labour market states are calculated taking into account the subsample of persons who responded simultaneously to the reference quarter and the previous quarter, which represents about 5/6 of the quarterly sample size. Considering that the scope of the flows refers to persons aged between 16 and 89 years old in the reference quarter, persons aged 15 years old in the previous quarter are included in the subsample and are classified as inactive. Persons aged 89 years old in the previous quarter and that have turned 90 years old in the reference quarter are excluded from the subsample. For this reason, the quarterly change in the employed population may not exactly match the net flow of employment published in this press release. However, this fact does not affect the analyzes carried out

The weighting factors of persons in the subsample of quarterly flows are calculated, in a first step, from the cross-sectional weights of the reference quarter. These weights are adjusted according to the estimates of the resident population by NUTS III region in the reference quarter to compensate the sample size reduction. In a second step, these weights are calibrated according to the estimates of the resident population by NUTS II region, sex and ten-year age groups in the reference quarter. In order to ensure the consistency of the estimates of quarterly flows with the quarterly estimates (reference and previous quarter), the weights are also calibrated according to:

- i) estimates of the employed, unemployed and inactive population by sex and ten-year age groups in the reference quarter;
- ii) estimates of the employed, unemployed and inactive population by sex in the previous quarter;
- iii) estimates of the resident population by NUTS II region, sex and ten-year age groups in the reference quarter;
- iv) estimates of the employed population by professional status in the reference quarter and in the previous quarter;
- v) estimates of employees by type of work contract in the reference quarter and in the previous quarter;



- vi) estimates of the total employed population and employees by full-time or part-time job in the reference quarter and in the previous quarter;
- vii) estimates of the unemployed population by duration of unemployment in the reference quarter and in the previous quarter;
- viii) estimates of the inactive population by type of inactivity in the reference quarter and in the previous quarter.

The estimates for the 2011 series are comparable with the series started in 2021, as described in the note attached to the [Press Release](#) of 12 May 2021, and the resident population estimates are calculated from the final results of the 2011 Census.

For reasons of consistency, quarterly changes in the total population (movements in and out of scope: natural balance and the net migration) are reflected in the inactive population of the previous quarter. For this reason, the estimates of flows referring to the inactive population aged 16 to 89 may not exactly match with those published in the Statistics Portugal website.

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.

The complete series of quarterly flows since 2011 can be found in the Excel files attached to the Press Release and that these are updated quarterly on 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.

Inactive: person aged below 16, above 89, 16 to 89 who, during the reference period, could not be considered active, *i.e.*, was neither employed nor unemployed.

Next Press Release - 16 November 2022
