



ONE IN FOUR (26.1%) UNEMPLOYED PERSONS IN THE 2ND QUARTER OF 2022 MOVED INTO EMPLOYMENT IN THE 3RD QUARTER OF 2022

Out of all those persons who were unemployed in the 2nd quarter of 2022, 53.9% (160.9 thousand) remained in that state in the 3rd quarter of 2022, 26.1% (78.1 thousand) moved into employment and 20.0% (59.8 thousand) moved into inactivity.

Almost one in three unemployed men (29.6%; 42.7 thousand) and almost one in four unemployed women (22.9%; 35.4 thousand) in the 2nd quarter of 2022 moved into employment in the 3rd quarter of 2022.

Approximately one in three short-term unemployed (32.6%; 47.9 thousand) and one in seven persons belonging to the “potential workforce” (14.0%; 22.5 thousand) in the 2nd quarter of 2022 moved into employment in the 3rd quarter of 2022.

At the same time, 12.0% (86.7 thousand) of all those persons who were self-employed in the previous quarter became employee. On the other hand, 1.6% (65.2 thousand) of all employees moved to self-employment.

In the same period, 23.5% (70.3 thousand) of all unemployed became employees.

Out of all those employees who, in the 2nd quarter of 2022, had a temporary work contract or other contractual arrangement, 19.3% (129.2 thousand) moved into a permanent work contract in the 3rd quarter of 2022.

Around one in four part-time workers (24.1%; 94.2 thousand) in the 2nd quarter of 2022 changed to a full-time work in the 3rd quarter of 2022.

The percentage of persons who remained employed between the 2nd and the 3rd quarter of 2022, but changed job, decreased by 0.4 pp compared to the last two quarters, standing at 3.1% (145.7 thousand).

Out of all those persons who were employed in the 2nd quarter of 2022, 96.5% (4,731.7 thousand) remained in that state in the 3rd quarter of 2022, while 1.1% (55.1 thousand) moved into unemployment and 2.3% (114.9 thousand) changed into inactivity (Figures 1 and 2 and in Table 1 in the annex).

At the same time, 53.9% (160.9 thousand) of all unemployed remained unemployed, while 26.1% (78.1 thousand) moved to employment and 20.0% (59.8 thousand) to inactivity.

As a result, the net flow of employment (that is, total inflows minus total outflows) was positive (as the quarterly change of the employed population in the 3rd quarter of 2022) and estimated at 27.3 thousand persons. In the same way, the net flow of unemployment was positive and estimated at 7.0 thousand persons (as the quarterly change of the unemployed population in the 3rd quarter of 2022), which results from the total of persons who

moved into unemployment (144.8 thousand) having been higher than the total number of those who left that state (137.9 thousand).

Figure 1. Quarterly labour market flows (thousand persons)

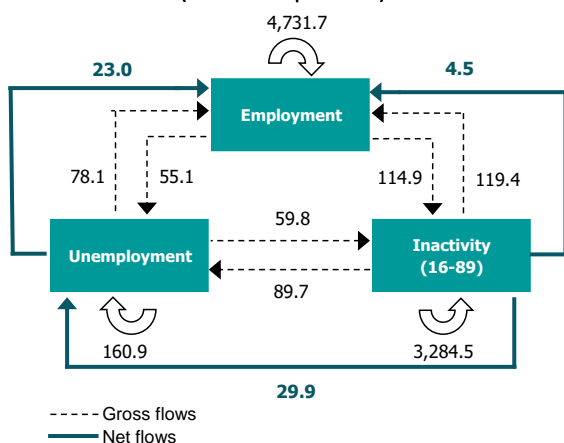
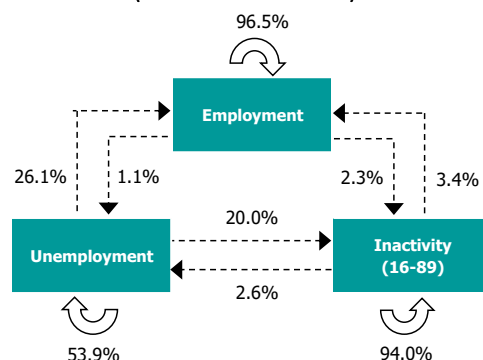


Figure 2. Quarterly labour market flows (in % of initial status)



Source: Statistics Portugal, Labour Force Survey - 3rd quarter of 2022.

Considering the flows from unemployment by sex (Figures 3 and 4), it is estimated that almost one in three unemployed men (29.6%; 42.7 thousand) and almost one in four unemployed women (22.9%; 35.4 thousand) in the 2nd quarter of 2022 moved into employment in the 3rd quarter of 2022.

In the same period, about one in seven men (15.3%; 22.1 thousand) and about one in four women (24.4%; 37.7 thousand) moved from unemployment to inactivity.

Figure 3. Unemployment quarterly flows – Males (in % of initial status)

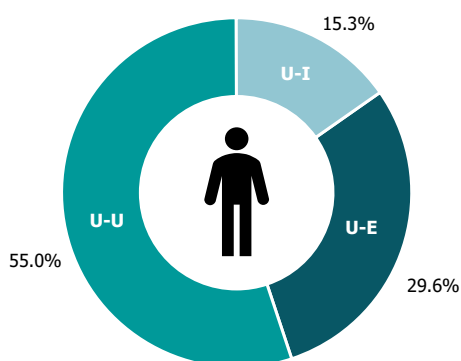
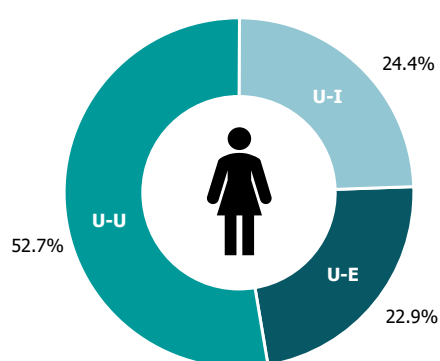


Figure 4. Unemployment quarterly flows – Females (in % of initial status)



U-E: Transition unemployment-employment U-U: Transition unemployment-unemployment D-I: Transition unemployment-inactivity

Source: Statistics Portugal, Labour Force Survey - 3rd quarter of 2022.



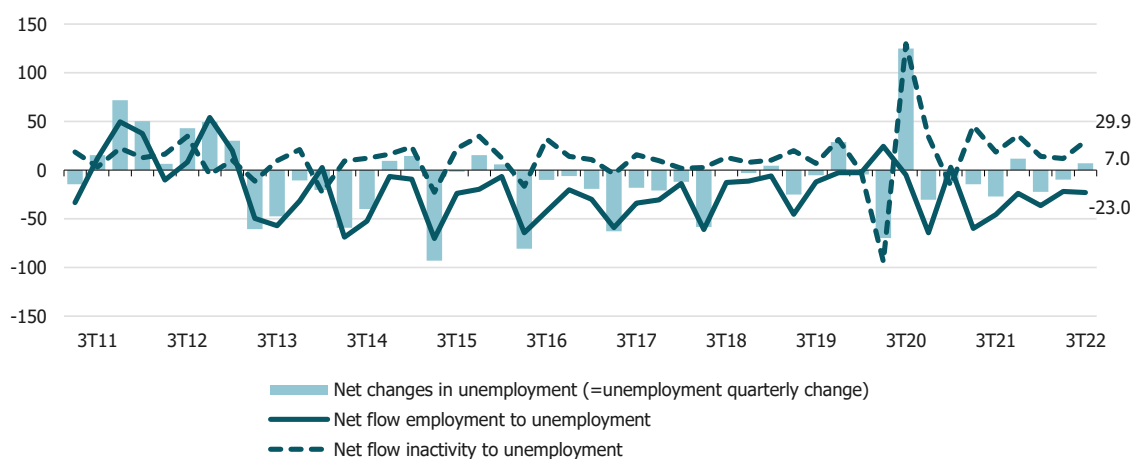
The odds ratio between the odds of a man moving from unemployment to employment and the odds of a woman having the same transition was 1.4. In other words, an unemployed man in the 2nd quarter of 2022 was 40% more likely to become employed in the 3rd quarter of 2022 than an unemployed woman.

At the same time, the odds of a man moving from unemployment to inactivity was 40% lower than that of an unemployed woman (odds ratio=0.6).

Data on labour market flows by sex (since 1998) are available at the Statistics Portugal website.

Figure 4 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 4. Quarterly net flows into unemployment (thousand persons)



Source: Statistics Portugal, Labour Force Survey - 3rd quarter of 2022.

Figure 5 shows that approximately one in three short-term unemployed (32.6%) and one in seven persons belonging to the “potential workforce” (14.0%) in the 2nd quarter of 2022 changed into employment in the 2nd quarter of the same year. In the same period, 19.9% of the long-term unemployed and 2.9% of other inactive also moved into employment.



According to Figure 6, 24.3% of all those in the “potential workforce” in the 2nd quarter of 2022 moved into unemployment in the 3rd quarter of 2022. Those are persons who, in the 2nd 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 3rd quarter of 2022, began to fulfill both criteria (active search and availability to start working), thus integrating the unemployed population.

In addition, 40.7% of those who were in the “potential workforce” in the 2nd quarter of 2022 moved to the “other inactivity” in the 3rd quarter of 2022, which means that they no longer actively search for a job and are not available to start working in the reference period, thus staying further away from the labour market.

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

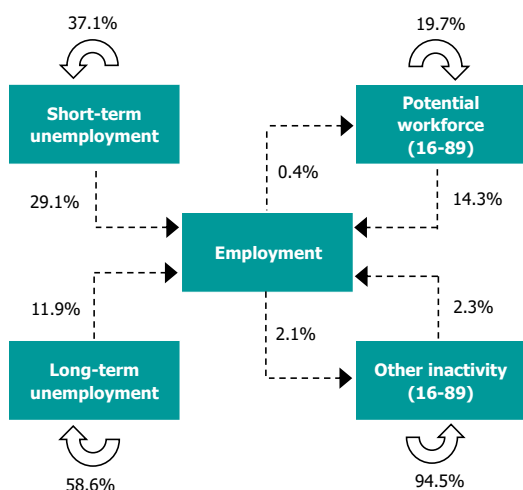
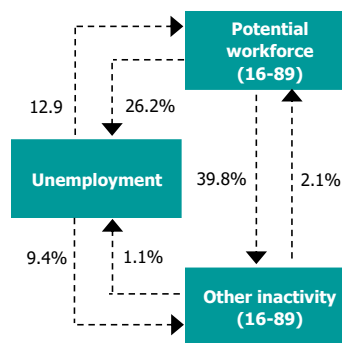


Figure 6. Quarterly flows between unemployment and type of inactivity (in % of initial status)



Source: Statistics Portugal, Labour Force Survey - 3rd 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”.

Figure 7 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 an increase of 3.5 pp compared to the previous quarter and of 0.2 pp compared to the same quarter of the previous year. The transition from long-term unemployment to unemployment increased by 8.0 pp in relation to the previous quarter and decreased by 2.1 pp compared to the same quarter of the previous year.

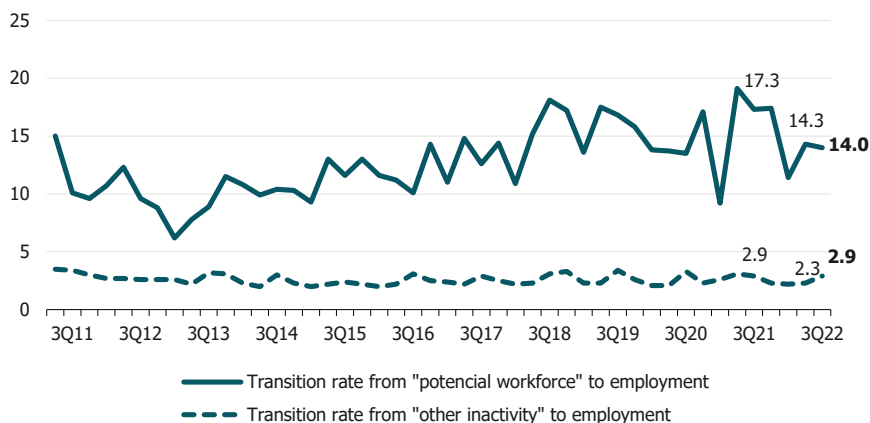
Figure 7. Quarterly flows between unemployment (by duration) and employment (in % of initial status)



Source: Statistics Portugal, Labour Force Survey - 3rd quarter of 2022.

In the case of flows to employment by type of inactivity (Figure 8), the results indicate a decrease of 0.3 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 3.3 pp.

Figure 8. Quarterly flows between inactivity (by type) and employment (in % of initial status)



Source: Statistics Portugal, Labour Force Survey - 3rd quarter of 2022.



The odds of an unemployed person for less than 12 months in the 2nd quarter of 2022 becoming an employee in the 3rd quarter of 2022 was almost the double (1.9) of the odds of an unemployed person for 12 or more months having the same transition. In the previous quarter, this value stood at 3.0 and in the same quarter of the previous year at 1.7.

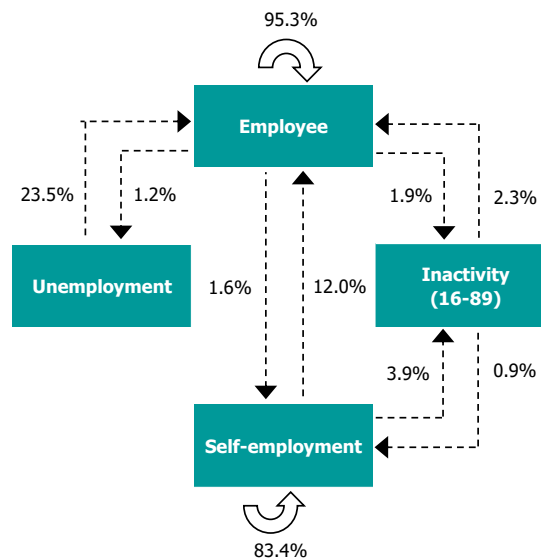
In the same way, the odds of an inactive person in the “potential workforce” group moving into employment in the 3rd quarter of 2022 was 5.5 times that of a person in the “other inactivity” group, having the value decreased compared to the previous quarter (7.1) and to the same quarter of the previous year (7.0).

From the 2nd to the 3rd quarter of 2022, 12.0% (86.7 thousand) of those self-employed became employees. On the other hand, 1.6% (65.2 thousand) of those who were employees moved to self-employment.

At the same time, 23.5% (70.3 thousand) of all unemployed became employees.

Out of all those employees in the 2nd quarter of 2022, 1.9% (77.6 thousand) moved into inactivity in the 3rd quarter of 2022, while 3.9% (28.4 thousand) of those who were self-employed moved into inactivity.

Figure 9. Quarterly flows between professional status, unemployment¹ and inactivity (in % of initial status)



Source: Statistics Portugal, Labour Force Survey - 3rd quarter of 2022.

¹ Due to low reliability, estimates regarding the flows between self-employment and unemployment are not published (these are transitions with little expression in the labour market).



According to Figure 10, the percentage of self-employed workers who, in the 3rd 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.

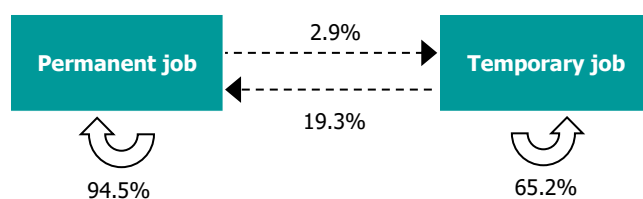
Figure 10. Quarterly flows by professional status (in % of initial status)



Source: Statistics Portugal, Labour Force Survey - 3rd quarter of 2022.

Of all employees that had a temporary job or other contractual arrangement in the 2nd quarter of 2022, 19.3% (129.2 thousand) moved to a permanent work contract in the 3rd quarter of 2022.

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



Source: Statistics Portugal, Labour Force Survey - 3rd quarter of 2022.

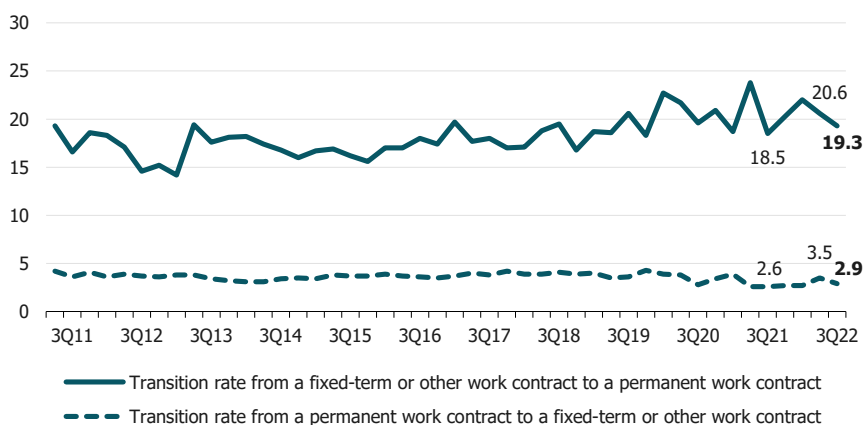
Notes:

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 3rd quarter of 2022 decreased by 1.3 pp and increased by 0.8 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 – 3rd quarter of 2022.

From the 2nd to the 3rd quarter of 2022, 24.1% (94.2 thousand) of all workers with a part-time job moved to a full-time job. At the same time, 22.6% (54.4 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)

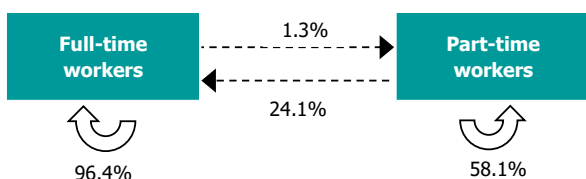
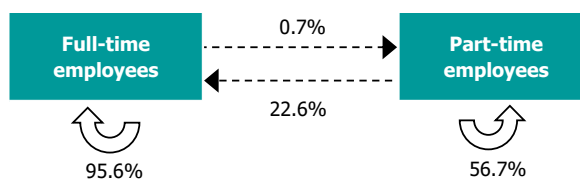


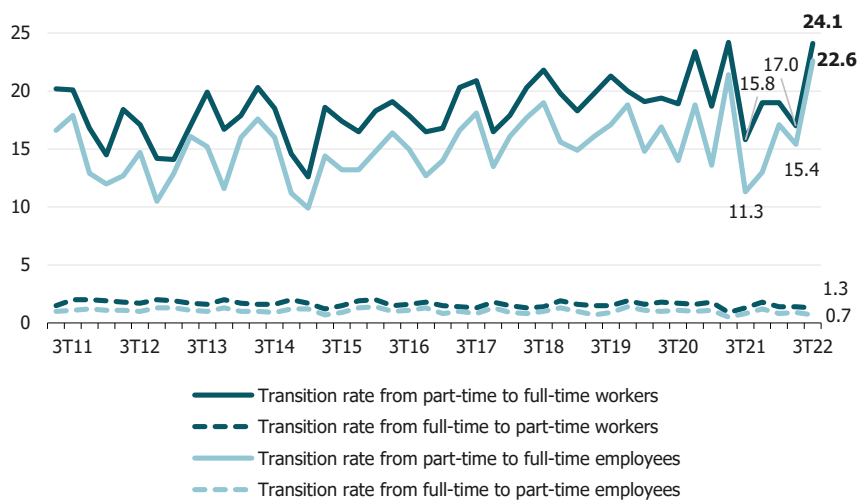
Figure 14. Quarterly flows between full-time and part-time employees (in % of initial status)



Source: Statistics Portugal, Labour Force Survey - 3rd quarter of 2022.

Compared to the previous quarter, the flow from part-time to full-time workers increased by 7.1 pp, while in comparison to the same quarter of the previous year the increase was 8.3 pp. Considering the employees, these flows had an identical behavior, increasing by 7.2 pp and 11.3 pp compared to the same periods.

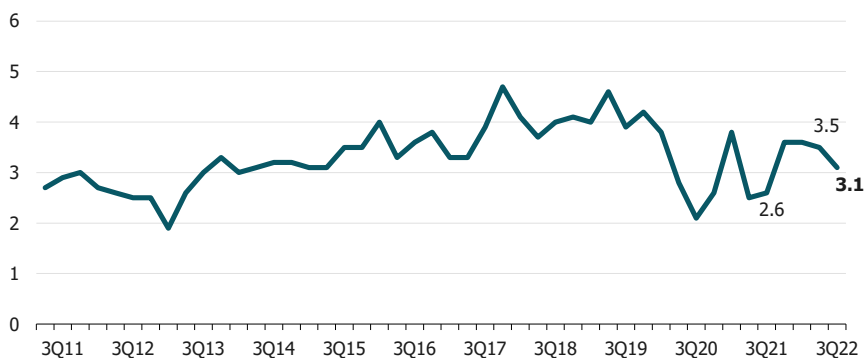
Figure 15. Quarterly flows between full-time and part-time workers and employees (in % of initial status)



Source: Statistics Portugal, Labour Force Survey - 3rd quarter of 2022.

The percentage of persons who remained in employment between the 2nd and the 3rd quarter of 2022, but changed job², was 3.1% (145.7 thousand), having decreased by 0.4 pp compared to the previous period and increased by 0.5 pp compared to the same quarter of the previous year.

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



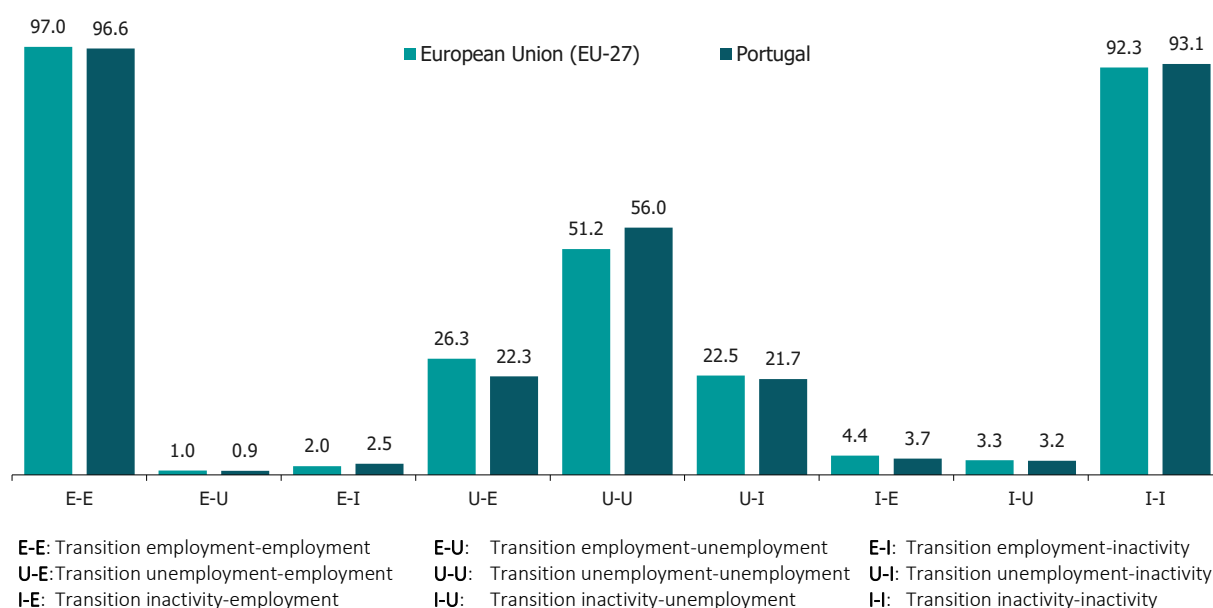
Source: Statistics Portugal, Labour Force Survey - 3rd quarter of 2022.

² 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.



The results of the 2nd quarter of 2022, released by Eurostat on 4 October 2022³, concerning the quarterly labour market flows of the population aged between 15 and 74, indicate that 22.3% of those who were unemployed in Portugal in the 1st quarter of 2022 moved into employment, this figure being 4.0 pp lower than that of the European Union (26.3%). In the same period, around one in five persons in unemployment in Portugal changed to inactivity (21.7%), while in the European Union this flow was around one in four (22.5%).

Figure 17. Labour market flows in the 2nd 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, 2022Q1-2022Q2 (population aged 15-74; in % of initial status) [LFSI_LONG_Q].

³ The European Union Labour Market Flows for the 3rd quarter of 2022 will predictably be released by Eurostat on 7 February 2023. For Portugal, those aged 15 in the 2nd quarter of 2022 are included in the inactivity into inactivity flow (remain in inactivity).



Table 1. Quarterly labour market flows – Main

Portugal	Quarterly value			Rate of change	
	3Q-2021	2Q-2022	3Q-2022	On year	On quarter
Flows	Thousand people			%	
Transition employment - employment	4,655.6	4,736.3	4,731.7	1.6	- 0.1
Transition employment - unemployment	50.3	43.5	55.1	9.7	26.6
Transition employment - inactivity	104.7	121.0	114.9	9.8	- 5.0
Transition unemployment - employment	96.0	65.3	78.1	- 18.6	19.7
Transition unemployment - unemployment	176.1	174.4	160.9	- 8.6	- 7.7
Transition unemployment - inactivity	73.6	68.8	59.8	- 18.8	- 13.1
Transition inactivity - employment	126.5	100.2	119.4	- 5.7	19.2
Transition inactivity - unemployment	92.3	80.9	89.7	- 2.8	10.9
Transition inactivity - inactivity	3,325.4	3,300.9	3,284.5	- 1.2	- 0.5
Flows	In % of initial status			pp	
Transition employment - employment	96.8	96.6	96.5	-0.3	-0.1
Transition employment - unemployment	1.0	0.9	1.1	0.1	0.2
Transition employment - inactivity	2.2	2.5	2.3	0.1	-0.2
Transition unemployment - employment	27.8	21.2	26.1	-1.7	4.9
Transition unemployment - unemployment	51.0	56.5	53.9	2.9	-2.6
Transition unemployment - inactivity	21.3	22.3	20.0	-1.3	-2.3
Transition inactivity - employment	3.6	2.9	3.4	-0.2	0.5
Transition inactivity - unemployment	2.6	2.3	2.6	-	0.3
Transition inactivity - inactivity	93.8	94.8	94.0	0.2	-0.8

Source: Statistics Portugal, Labour Force Survey - 3rd 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 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. It should be noticed that, following the COVID-19 pandemic and the measures adopted by the competent authorities, Statistics Portugal has decided, between the first fortnight of March 2020 and the end of the collection of the 2nd quarter of 2022, 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 figures 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.

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