



25.3% OF THE UNEMPLOYED IN THE 2ND QUARTER OF 2023 MOVED INTO EMPLOYMENT IN THE 3RD QUARTER OF 2023

Of the total persons who were unemployed in the 2nd quarter of 2023, 50.3% (163.2 thousand) remained in that state in the 3rd quarter of 2023, 25.3% (82.2 thousand) moved into employment and 24.4% (79.2 thousand) moved into inactivity.

In the same period, 28.6% (43.9 thousand) of unemployed men and 22.4% (38.3 thousand) of unemployed women moved into employment.

From the 2nd quarter of 2023 to the 3rd quarter of 2023, 29.7% (56.1 thousand) of the short-term unemployed and 14.8% (22.1 thousand) of those inactives belonging to the “potential workforce” moved into employment.

At the same time, 10.9% (77.3 thousand) of those who were self-employed and 21.6% (70.2 thousand) of those who were unemployed in the previous quarter became employees.

Of the total of employees who, in the 2nd quarter of 2023, had a temporary work contract or other contractual arrangement, 21.8% (164.9 thousand) moved into a permanent work contract in the 3rd quarter of 2023.

Of the total of workers who were part-time workers in the 2nd quarter of 2023, 19.1% (77.5 thousand) changed to full-time work in the 3rd quarter of 2023.

The percentage of persons who remained employed between the 2nd quarter of 2023 and the 3rd quarter of 2023, but changed jobs, decreased by 0.3 pp compared to the last quarter, standing at 3.3% (160.3 thousand).

Following the revision of estimates produced from the Labour Force Survey (LFS), as explained in the Press Release “[Employment Statistics – 3rd quarter of 2023](#)” and in the “[Methodological note on the revision of the Labour Force Survey data: the context of the COVID-19 pandemic](#)”, released on 8 November 2023, the (quarterly) labour market flow estimates from the 2nd quarter of 2020 to the 2nd quarter of 2023 were also revised¹. Flow estimates for the 3rd quarter of 2023 were calculated based on the same criteria adopted in that period.

¹ Estimates of (annual) labour market flows for the years 2020 to 2022, available on the Statistics Portugal website, have also been revised.



Of the total persons who were employed in the 2nd quarter of 2023, 96.4% (4,810.2 thousand) remained in that state in the 3rd quarter of 2023, while 1.3% (67.1 thousand) moved into unemployment and 2.2% (111.4 thousand) changed into inactivity (Figures 1 and 2 and Table 1 in the annex).

At the same time, 50.3% (163.2 thousand) of the unemployed remained unemployed, while 25.3% (82.2 thousand) moved into employment and 24.4% (79.2 thousand) into inactivity.

As a result, the net flow of employment (that is, total inflows minus total outflows) was positive and estimated at 26.8 thousand persons (as the quarterly change of the employed population in the 3rd quarter of 2023). In the same way, the net flow of unemployment was positive and estimated at 1.4 thousand persons (as the quarterly change of the unemployed population in the 3rd quarter of 2023), as the number of persons who moved into unemployment (162.9 thousand) was higher than the number of those who left that state (161.4 thousand).

Figure 1. Quarterly labour market flows
(thousand persons)

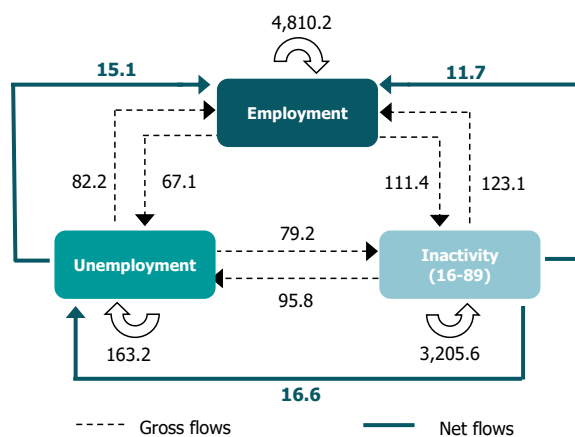
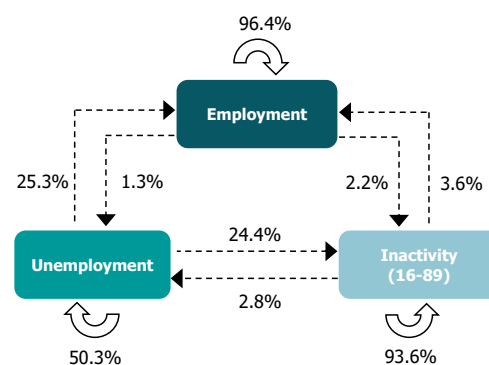


Figure 2. Quarterly labour market flows
(in % of initial status)



Source: Statistics Portugal, Labour Force Survey - 3rd quarter of 2023.

Considering the flows from unemployment by sex (Figures 3 and 4), it is estimated that 28.6% (43.9 thousand) of unemployed men and 22.4% (38.3 thousand) of unemployed women in the 2nd quarter of 2023 moved into employment in the 3rd quarter of 2023.

In the same period, 21.4% (32.9 thousand) of men and 27.1% (46.3 thousand) of women in unemployment moved into inactivity.

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

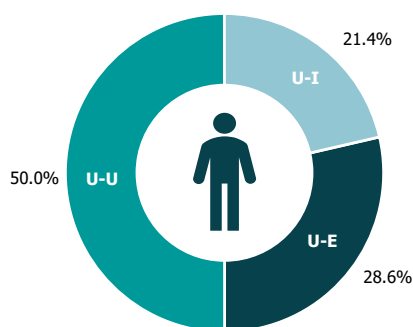
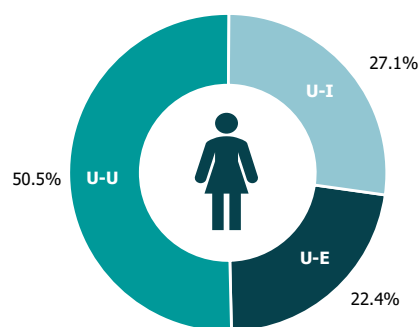


Figure 4. Unemployment quarterly flows – Females
(in % of initial status)

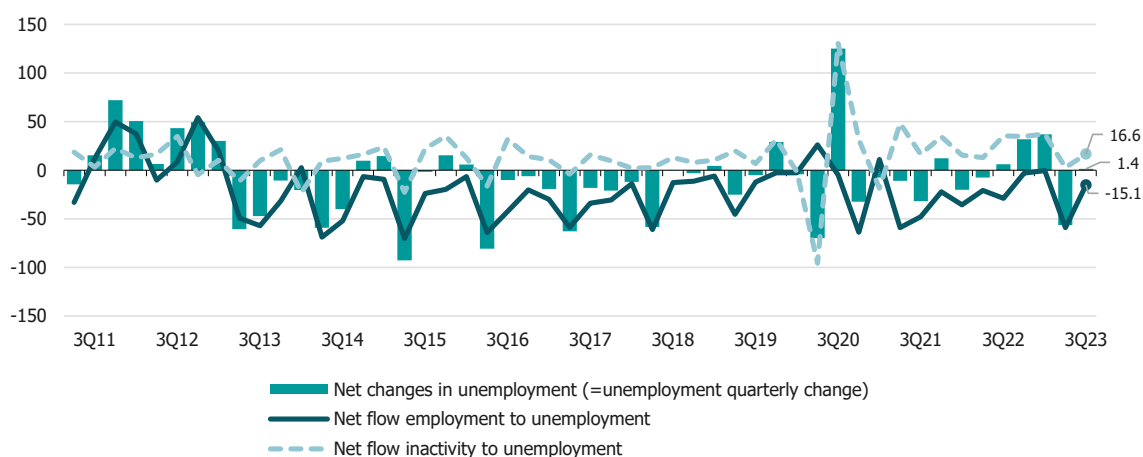


U-E: Transition unemployment-employment U-U: Transition unemployment-unemployment U-I: Transition unemployment-inactivity

Source: Statistics Portugal, Labour Force Survey - 3rd quarter of 2023.

Figure 4 shows the quarterly changes and net flows into unemployment for the harmonized Labour Force Survey data series since 2011, thus allowing to quantify the contribution of each flow to the quarterly change in unemployment. In the 3rd quarter of 2023, the net flow between inactivity and unemployment is the one that contributes to the increase in unemployment, as the difference between the number of persons who moved from inactivity to unemployment (95.8 thousand) and the number of those who moved from unemployment to inactivity (79.2 thousand) is positive and higher than the difference between the number of persons who moved from employment to unemployment (67.1 thousand) and those who moved from unemployment to employment (82.2 thousand).

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



Source: Statistics Portugal, Labour Force Survey - 3rd quarter of 2023.

Figure 5 shows that 29.7% of short-term unemployed and 14.8% of those inactives belonging to the “potential workforce” in the 2nd quarter of 2023 moved into employment in the 3rd quarter of 2023. In the same period, 19.2% of long-term unemployed and 3.1% of “other inactive” also moved into employment.

According to Figure 6, 25.8% of those inactives in the “potential workforce” in the 2nd quarter of 2023 moved into unemployment in the 3rd quarter of 2023. These are non-employed persons who, in the 2nd quarter of 2023, 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 2023, met both criteria (active search and availability to start working), thus becoming part of the unemployed population.

In addition, 35.8% of those inactives who were in the “potential workforce” in the 2nd quarter of 2023 moved into the “other inactivity” in the 3rd quarter of 2023, 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)

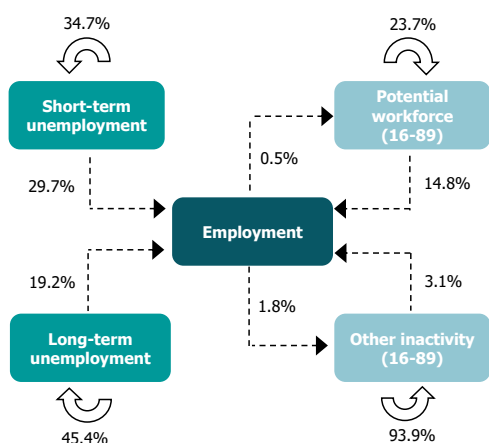
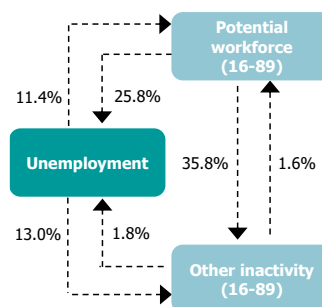


Figure 6. Quarterly flows between unemployment and type of inactivity (in % of initial status)



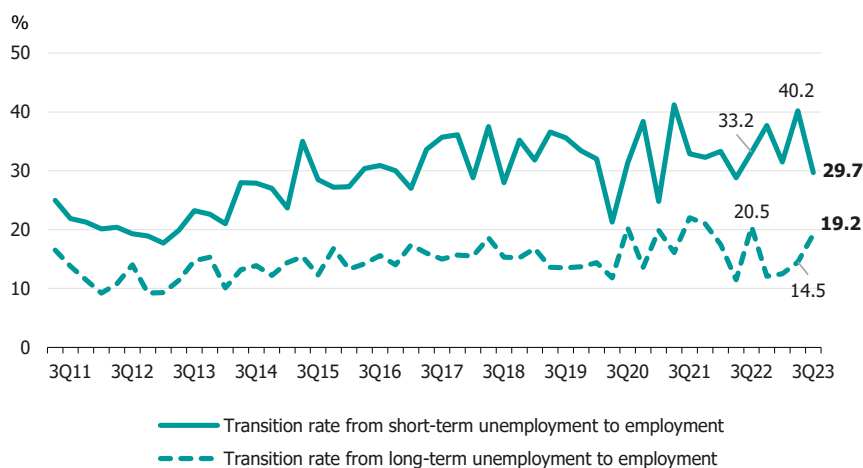
Source: Statistics Portugal, Labour Force Survey - 3rd quarter of 2023.

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 the “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 a decrease of 10.5 percentage points (pp) compared to the previous quarter and of 3.5 pp compared to the same quarter of the previous year. The transition from long-term unemployment to employment increased by 4.7 pp compared to the previous quarter, having decreased by 1.3 pp compared to the same quarter of the previous year. The transition rates from short-term unemployment to employment are consistently higher than those for long-term unemployment.

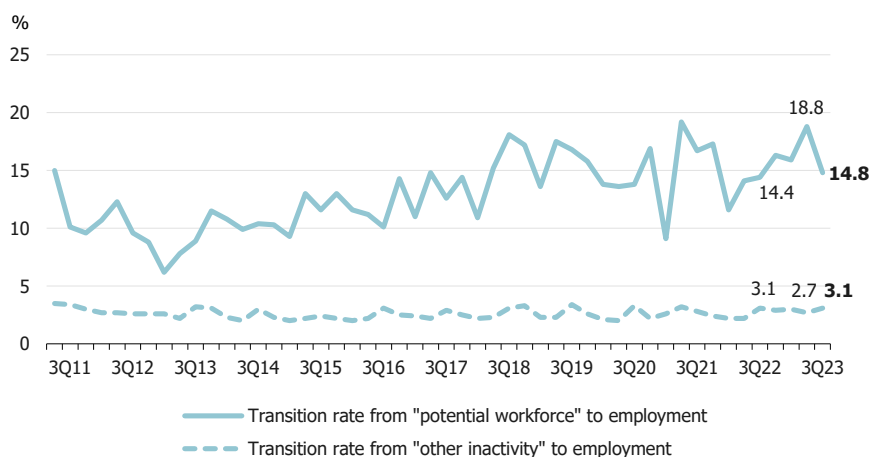
Figure 7. Quarterly flows between unemployment (by duration) and employment (in % of initial status)



Source: Statistics Portugal, Labour Force Survey - 3rd quarter of 2023.

In the case of flows into employment by type of inactivity (Figure 8), the results indicate a decrease of 4.0 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 increased by 0.4 pp.

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

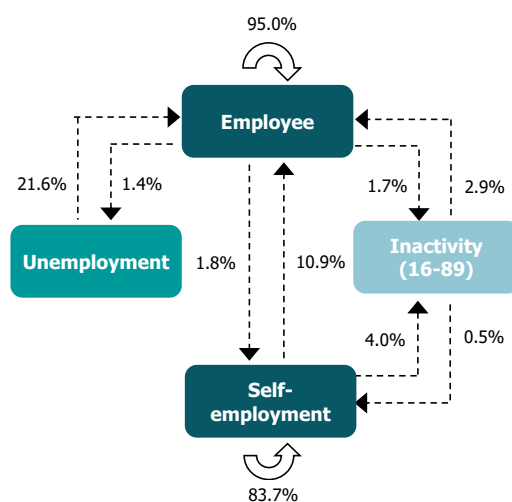


Source: Statistics Portugal, Labour Force Survey - 3rd quarter of 2023.

From the 2nd quarter of 2023 to the 3rd quarter of 2023, 10.9% (77.3 thousand) of those self-employed became employees. On the other hand, 1.8% (76.1 thousand) of those who were employees moved into self-employment. In the same period, 21.6% (70.2 thousand) of the unemployed became employees.

Lastly, of the total of employees in the 2nd quarter of 2023, 1.7% (74.2 thousand) moved into inactivity in the 3rd quarter of 2023, while 4.0% (28.3 thousand) of those who were self-employed moved into inactivity.

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

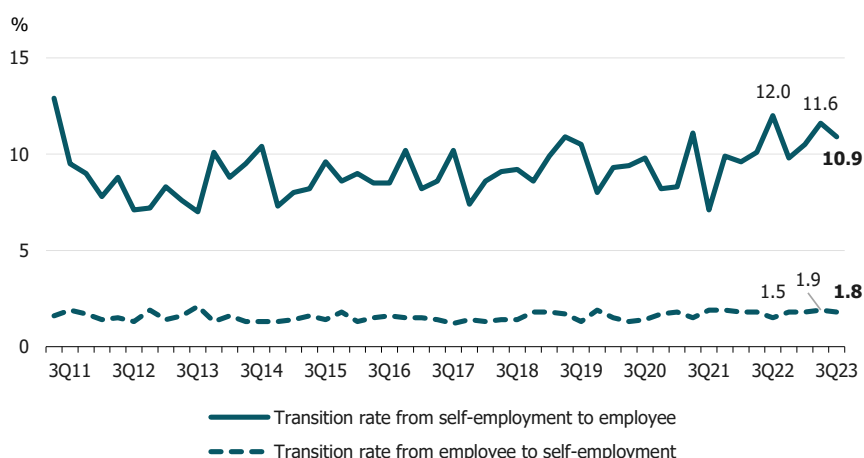


Source: Statistics Portugal, Labour Force Survey - 3rd quarter of 2023.

Note: 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 2023, moved to employee decreased by 0.7 pp compared to the previous quarter and by 1.1 pp compared to the same period of the previous year.

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

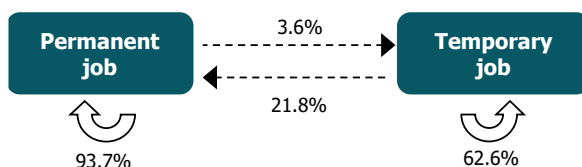


Source: Statistics Portugal, Labour Force Survey - 3rd quarter of 2023.



Of all employees that had a temporary job in the 2nd quarter of 2023, 21.8% (164.9 thousand) changed to a permanent job in the 3rd quarter of 2023.

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



Source: Statistics Portugal, Labour Force Survey - 3rd quarter of 2023.

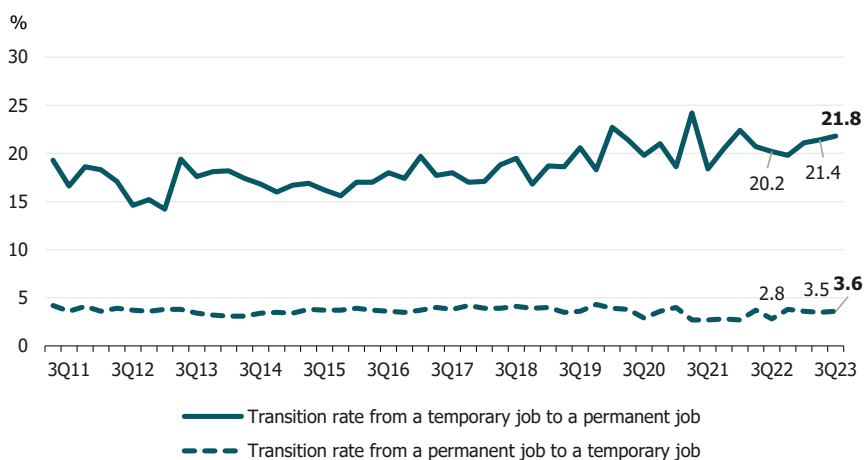
Notes:

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 temporary job and changed to a permanent job in the 3rd quarter of 2023 increased in relation to the two comparison periods: 0.4 pp and 1.6 pp, respectively.

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



Source: Statistics Portugal, Labour Force Survey - 3rd quarter of 2023.

From the 2nd quarter of 2023 to the 3rd quarter of 2023, 19.1% (77.5 thousand) of all workers with a part-time job moved into a full-time job. At the same time, 15.2% (42.7 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)

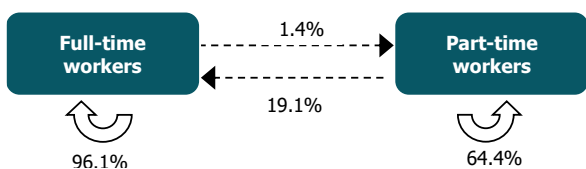


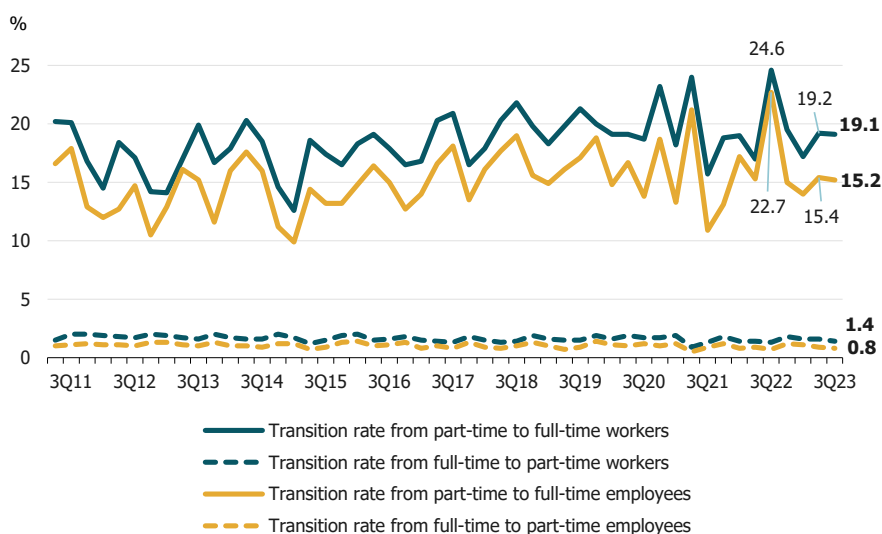
Figure 14. Quarterly flows between full-time and part-time employees (in % of initial status)



Source: Statistics Portugal, Labour Force Survey - 3rd quarter of 2023.

Compared to the previous quarter, the flow from part-time to full-time workers decreased by 0.1 pp, while in comparison to the same quarter of 2022 the decrease was 5.5 pp. Considering the employees, the flow decreased in relation to the two comparison periods: 0.2 pp and 7.5 pp, respectively.

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



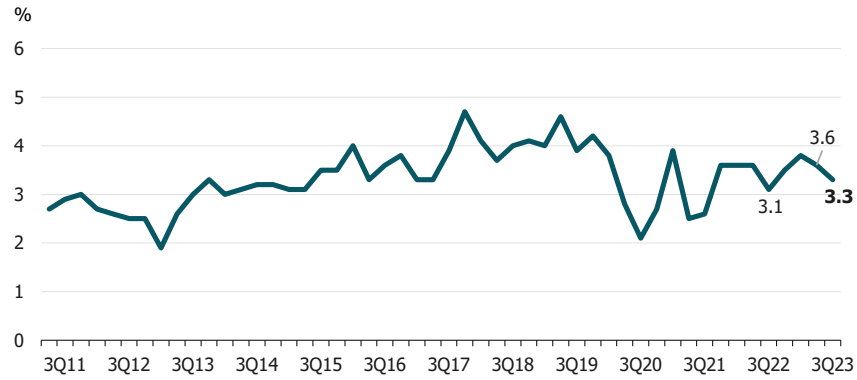
Source: Statistics Portugal, Labour Force Survey – 3rd quarter of 2023.

The percentage of persons who remained in employment between the 2nd quarter of 2023 and the 3rd quarter of 2023, but changed jobs, was 3.3% (160.3 thousand), having decreased by 0.3 pp compared to the previous quarter and increased by 0.2 pp in relation to the same quarter of 2022.

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 - 3rd quarter of 2023.



Table 1. Quarterly and annual labour market flows – Main results

Portugal	Quarterly value			Rate of change	
	3Q-2022	2Q-2023	3Q-2023	On year	On quarter
Flows	Thousand persons			%	
Transition employment - employment	4,697.3	4,755.3	4,810.2	2.4	1.2
Transition employment - unemployment	52.8	58.4	67.1	26.9	14.9
Transition employment - inactivity	104.5	115.8	111.4	6.7	-3.8
Transition unemployment - employment	81.8	117.4	82.2	0.5	-30.0
Transition unemployment - unemployment	164.2	192.6	163.2	-0.6	-15.3
Transition unemployment - inactivity	60.1	71.0	79.2	31.8	11.6
Transition inactivity - employment	127.1	115.9	123.1	-3.2	6.2
Transition inactivity - unemployment	95.4	73.7	95.8	0.5	30.1
Transition inactivity - inactivity	3,310.9	3,228.8	3,205.6	-3.2	-0.7
Flows	In % of initial status			pp	
Transition employment - employment	96.8	96.5	96.4	-0.4	-0.1
Transition employment - unemployment	1.1	1.2	1.3	0.2	0.1
Transition employment - inactivity	2.2	2.3	2.2	-	-0.1
Transition unemployment - employment	26.7	30.8	25.3	-1.4	-5.5
Transition unemployment - unemployment	53.6	50.6	50.3	-3.3	-0.3
Transition unemployment - inactivity	19.6	18.6	24.4	4.8	5.8
Transition inactivity - employment	3.6	3.4	3.6	-	0.2
Transition inactivity - unemployment	2.7	2.2	2.8	0.1	0.6
Transition inactivity - inactivity	93.7	94.5	93.6	-0.1	-0.9

Source: Statistics Portugal, Labour Force Survey – 3rd quarter of 2023.

Conventional sign: - Null result.



TECHNICAL NOTE

The main purpose of the Labour Force Survey (LFS) is to classify the population in terms of their participation in the labour market. It is a quarterly sample survey, addressed to all persons living in private dwellings in the national territory.

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 by telephone interviews.

After analysing the impact of adopting an exclusively telephone data collection mode, in November 2023 Statistics Portugal revised the estimates for the 2nd quarter of 2020 to the 2nd quarter of 2023 by incorporating the variable "highest level of education completed" in the calibration weighting process, in addition to the information usually used (monthly estimates of the resident population by sex, age group and region). The estimation of the results for the 3rd quarter of 2023 was carried out in a similar way.²

The LFS sample (consisting of private dwellings as usual residence) 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

² For more information on the context, methodology and impacts of this revision, users should consult the "[Methodological note on the revision of the Labour Force Survey data: the context of the COVID-19 pandemic](#)", published together with Press Release "[Employment Statistics - 3rd quarter 2023](#)", on 8 November 2023 on the Statistics Portugal's website.



NUTS III region in the reference quarter to compensate the sample size reduction. In a second step, these weights are calibrated in order to ensure the consistency of the estimates of quarterly flows with the quarterly estimates 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 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.

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.

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