

May, 15<sup>th</sup> 2009

## Employment Statistics

### 1<sup>st</sup> quarter of 2009

#### Unemployment rate at 8.9% in the 1<sup>st</sup> quarter of 2009

The unemployment rate estimated for the 1<sup>st</sup> quarter of 2009 was 8.9%. This value is up 1.3 percentage points (p.p.) from the same quarter of 2008 and 1.1 p.p. from the previous quarter. The number of unemployed was estimated to reach 495.8 thousand individuals, having increased by 16.1% from the same quarter of the previous year, and by 13.3% from the previous quarter. The number of employed decreased by 1.8%, compared with the same quarter of 2008, and by 1.5%, compared with the previous quarter.

#### 1. Labour force (active population)

The Labour Force Survey results for the 1<sup>st</sup> quarter of 2009 indicate that the labour force (active population) in Portugal decreased by 0.4% (corresponding to 23.2 thousand individuals), compared with the same quarter of 2008, and by 0.3% (19.1 thousand), compared with the previous quarter.

The working age population participation rate (aged 15 years old and over) was estimated at 62.1% in the 1<sup>st</sup> quarter of 2009. This rate went down by 0.4 p.p. from the 1<sup>st</sup> quarter of 2008, and by 0.2 p.p. from the previous quarter.

The participation rate of working age women stood at 56.1%, while that of men attained 68.6%.

#### 2. Employed population

In the 1<sup>st</sup> quarter of 2009, the employed population, totalling 5 099.1 thousand individuals, decreased by 1.8% (corresponding to 91.9 thousand individuals), compared with the same quarter of 2008, and by 1.5% (77.2 thousand), compared with the previous quarter.

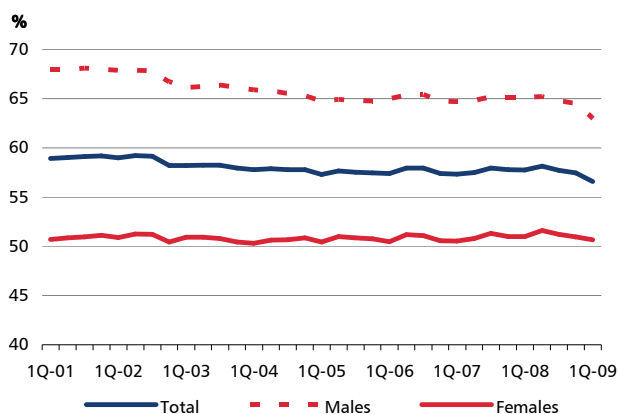
The following results have contributed to the above-mentioned year-on-year decrease:

- The decrease in the employment for men, which corresponded to 84.1 thousand individuals and explained 91.5% of the global employment decrease.
- The decrease of 82.5 thousand employed individuals aged 15 to 34 years old and of 13.2 thousand individuals aged 65 and over. The number of the employed aged 35 to 44 remained almost unchanged and the number of employed aged 45 to 64 increased by 5.2 thousand individuals.
- The decrease of employed having completed the first or second stages of basic education, by 172.3 thousand individuals. On the contrary, the number of employed having completed the (upper) secondary and post-secondary non-tertiary level of education and also the tertiary level of education rose (by 37.5 thousand and 42.8 thousand individuals, respectively).
- The decrease of employed in the mining and quarrying, manufacturing, electricity, gas and water supply sector, by 86.1 thousand individuals. This decrease was accounted by similar decreases in

manufacturing activities (which employed less 40.4 thousand individuals this quarter) and construction (46.8 thousand). The agriculture, hunting, forestry, and fishing sector recorded a smaller decrease in employment (16.5 thousand individuals). In turn, the services sector recorded an increase in employment, by 10.7 thousand individuals.

- The decrease in the number of employees, by 40.9 thousand individuals, and in the number of self-employed, by 34.8 thousand. Among the employees, a decrease was recorded in the number of those with a temporary job (31.3 thousand) or with other contractual arrangements (32.2 thousand). In turn, the number of employees with a permanent job increased (22.7 thousand)
- The decrease in the number of full-time workers, which corresponded to 61.7 thousand individuals and explained 67.1% of the global employment decrease.

**Figure 1: Employment rate by sex**



The employment rate (15 years and over) stood at 56.6%, in the 1<sup>st</sup> quarter of 2009. This value was lower than the one recorded in the same quarter of 2008 by 1.2 p.p. and than that of the previous quarter by 0.9 p.p..

The male employment rate (63.0%), in the 1<sup>st</sup> quarter 2009, exceeded that of women (50.7%) by 12.3 p.p.. In

both cases, the rates decreased, from the same quarter 2008 and from the previous quarter.

### 3. Unemployed population

The unemployed population in Portugal, estimated at 495.8 thousand individuals in the 1<sup>st</sup> quarter of 2009, increased by 16.1% (68.8 thousand individuals), when compared with the 1<sup>st</sup> quarter of 2008, and by 13.3% (58.2 thousand), when compared with the previous quarter.

The following results have contributed to the year-on-year increase in the unemployed population:

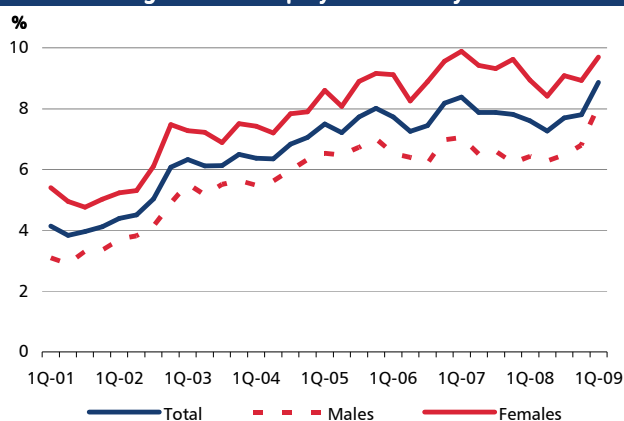
- The increase in the number of men unemployed (47.8 thousand individuals), which explained 69.5% of the overall increase in unemployment.
- The increase in unemployment of individuals of all age groups, mainly of those aged 25 to 34 years old (26.3 thousand).
- The increase in the number of unemployed individuals having completed an education level corresponding to the first and second stages of basic education and, to a lesser extent, to the (upper) secondary or post-secondary non-tertiary education, corresponding to 59.0 thousand and 15.4 thousand individuals, respectively. In turn, the number of unemployed having completed a tertiary level of education decreased by 5.6 thousand individuals.
- The increase in the number of unemployed seeking a new job (69.0 thousand individuals), coming from the mining and quarrying, manufacturing, electricity, gas and water supply, and construction sector (47.2 thousand individuals) and from the services sector (21.7 thousand). The number of unemployed seeking a first job remained unchanged.

- The increase in the number of unemployed seeking a job for less than a year, by 75.3 thousand individuals. On the contrary, the number of unemployed seeking a job for a year or more decreased, by 6.8 thousand individuals.

The unemployment rate was estimated at 8.9%, in the 1<sup>st</sup> quarter of 2009. This value is up 1.3 p.p. from the 1<sup>st</sup> quarter of 2008, and 1.1 p.p. from the previous quarter.

In the 1<sup>st</sup> quarter of 2009, the unemployment rate stood at 8.1% for men and at 9.7% for women. In both cases, the rates increased, from the same quarter 2008 and from the previous quarter.

**Figure 2: Unemployment rate by sex**



The increase recorded in the unemployment rate, when compared with the previous quarter, resulted from the combination of two following effects: the decrease of the employed population (of 1.5%) and the increase of the unemployed population (of 13.3%), corresponding to 77.2 thousand and 58.2 thousand individuals, respectively.

The quarterly increase in the unemployed population occurred mainly in the following population groups: men, individuals with 25 to 34 years old and with 45 years old and over, individuals who have completed the first and second stages of basic education, individuals seeking a

new job (mainly of those who were formerly employed in the mining and quarrying, manufacturing, electricity, gas and water supply, and construction sector), and unemployed seeking for a job for less than one year.

#### 4. Inactive population

In the 1<sup>st</sup> quarter of 2009, the inactive population aged 15 years old and over increased by 1.4%, when compared to the same quarter of 2008, and by 0.7%, when compared with the previous quarter (corresponding to 47.4 thousand and 22.5 thousand individuals, respectively).

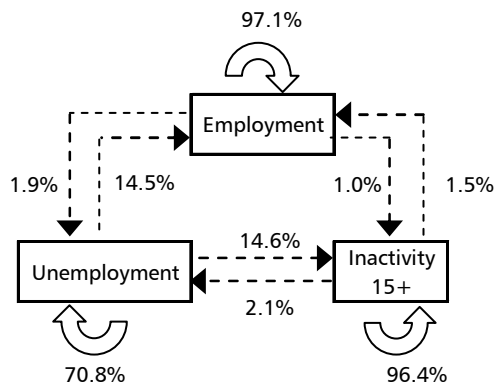
The inactivity rate (15 and over) reached 37.9%, in the 1<sup>st</sup> quarter of 2009, standing at 31.4% for men and at 43.9% for women.

#### 5. Quarterly flows between labour market states

From the 4<sup>th</sup> quarter of 2008 to the 1<sup>st</sup> quarter of 2009, 1.9% of the individuals initially employed moved into unemployment and 1.0% moved into inactivity, with the proportion of employees moving out of this situation totalling 2.9% in the 1<sup>st</sup> quarter of 2009 (97.1% remained employed). From the 3<sup>rd</sup> to the 4<sup>th</sup> quarter of 2008, this percentage had been smaller (2.6%).

The flows out of unemployment between the two quarters were, in relative terms, larger than the flows out of employment. From total individuals who were unemployed in the 4<sup>th</sup> quarter of 2008, 29.2% moved out of this labour market state in the following quarter, 14.5% of which became employed and 14.6% moved into inactivity. The percentage of individuals moving from unemployment into employment was smaller than that observed in the flows from the 3<sup>rd</sup> to the 4<sup>th</sup> quarter of 2008 (18.0%), as for the percentage of individuals moving from unemployment into inactivity (had been 16.4%)

**Quarterly flows between labour force states  
(as a % of initial state)**



From total individuals aged 15 years old and over considered to be inactive in the 4<sup>th</sup> quarter of 2008, 1.5% moved into employment, and 2.1% moved into unemployment, in the following quarter. Both percentages are lower than observed in the flows from the 3<sup>rd</sup> to the 4<sup>th</sup> quarter of 2008 (1.6% and 2.3%, respectively).

**6. Unemployment rates by NUTS II regions**

In the 1<sup>st</sup> quarter of 2009, the highest unemployment rates were recorded in NUTS II regions Algarve (10.3%),

Alentejo (10.2%) and Norte (10.1%). The lowest values were observed in Centro (6.7%), Região Autónoma dos Açores (6.7%) and Região Autónoma da Madeira (6.8%).

**Table 1: Unemployment rates by NUTS II region (NUTS-2002)**

	1Q-2008	4Q-2008	1Q-2009
Portugal	7,6	7,8	8,9
Norte	8,6	8,7	10,1
Centro	5,1	5,7	6,7
Lisboa	8,6	8,5	9,1
Alentejo	8,3	10,0	10,2
Algarve	8,0	6,7	10,3
R. A. Açores	5,6	5,6	6,7
R. A. Madeira	6,2	6,0	6,8

Source: INE, Employment Statistics - 1<sup>st</sup> quarter of 2009.

Comparing to the same quarter of the previous year, and similarly to the overall picture in Portugal, the unemployment rate increased in all regions. The largest increases were recorded in Algarve (2.3 p.p.) and Alentejo (1.9 p.p.).

Compared to the previous quarter, the unemployment rate increased also in all regions. The largest increases were observed in Algarve (3.6 p.p.) and Norte (1.4 p.p.).

**Table 2: Main indicators - active and employed population - Portugal**

	Quarterly levels			Rates of change	
	1Q-2008	4Q-2008	1Q-2009	On year	On quarter
	Thousand individuals			%	
<b>Labour force (active population)</b>	<b>5 618,0</b>	<b>5 613,9</b>	<b>5 594,8</b>	<b>-0,4</b>	<b>-0,3</b>
Males	2 995,3	2 987,6	2 958,9	-1,2	-1,0
Females	2 622,8	2 626,3	2 635,9	0,5	0,4
15 to 24	515,0	501,2	485,4	-5,7	-3,2
25 to 34	1 466,4	1 460,0	1 453,1	-0,9	-0,5
35 to 44	1 416,9	1 425,9	1 431,5	1,0	0,4
45 to 64	1 891,4	1 903,8	1 909,6	1,0	0,3
65 and over	328,3	323,1	315,2	-4,0	-2,4
<b>Participation rate (%)</b>	<b>52,9</b>	<b>52,8</b>	<b>52,6</b>		
Males	58,3	58,1	57,5		
Females	47,9	47,9	48,1		
<b>Participation rate (15 and over) (%)</b>	<b>62,5</b>	<b>62,3</b>	<b>62,1</b>		
Males	69,6	69,3	68,6		
Females	56,0	55,9	56,1		
<b>Employed population</b>	<b>5 191,0</b>	<b>5 176,3</b>	<b>5 099,1</b>	<b>-1,8</b>	<b>-1,5</b>
Males	2 802,7	2 784,4	2 718,6	-3,0	-2,4
Females	2 388,4	2 391,9	2 380,5	-0,3	-0,5
15 to 24	430,6	411,0	387,7	-10,0	-5,7
25 to 34	1 341,9	1 329,5	1 302,3	-3,0	-2,0
35 to 44	1 324,7	1 324,0	1 323,2	-0,1	-0,1
45 to 64	1 766,5	1 788,8	1 771,7	0,3	-1,0
65 and over	327,4	323,1	314,2	-4,0	-2,8
First and second stages of basic education	3 648,7	3 577,9	3 476,4	-4,7	-2,8
(Upper) secondary and post-secondary non-tertiary education	779,6	794,8	817,1	4,8	2,8
Tertiary education	762,7	803,5	805,5	5,6	0,2
<b>NACE-Rev. 1.1</b>					
Agriculture, hunting, forestry and fishing	588,8	586,0	572,3	-2,8	-2,3
Mining and quarrying, manufacturing, electricity, gas and water supply, and construction	1 537,4	1 490,4	1 451,3	-5,6	-2,6
Services	3 064,8	3 099,9	3 075,5	0,3	-0,8
<b>NACE-Rev. 2 (a)</b>					
Agriculture, forestry and fishing	575,9	572,2	558,9	-3,0	-2,3
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction	1 542,6	1 498,0	1 455,0	-5,7	-2,9
Services	3 072,5	3 106,1	3 085,1	0,4	-0,7
Employees	3 925,4	3 953,1	3 884,5	-1,0	-1,7
With a permanent job (work contract of unlimited duration)	3 024,8	3 070,4	3 047,5	0,8	-0,7
With a temporary job (work contract of limited duration)	718,1	723,1	686,8	-4,4	-5,0
Others	182,4	159,7	150,2	-17,7	-5,9
Self-employed workers	1 204,1	1 183,9	1 169,3	-2,9	-1,2
Unpaid family workers and other professional status	61,6	39,3	45,3	-26,5	15,3
Full-time workers	4 563,5	4 573,4	4 501,8	-1,4	-1,6
Part-time workers	627,5	602,9	597,3	-4,8	-0,9
<b>Employment rate (15 and over) (%)</b>	<b>57,8</b>	<b>57,5</b>	<b>56,6</b>		
Males	65,1	64,5	63,0		
Females	51,0	50,9	50,7		

Source: INE, Employment Statistics - 1<sup>st</sup> quarter of 2009.

**Notes:**

(a) With the coming into force of the NACE-Rev. 2, the Labour Force Survey launched a process of double coding the economic activities, from the 1<sup>st</sup> quarter of 2008 onwards. Since the 1<sup>st</sup> quarter of 2008, the LFS estimates will be published by both NACE-Rev. 1.1 and NACE-Rev. 2, until the 1<sup>st</sup> quarter of 2009.

o Figure that corresponds to less than half the absolute value of the unit used.  
- Null.

**Table 3: Main indicators - unemployed and inactive population - Portugal**

	Quarterly levels			Rates of change	
	1Q-2008	4Q-2008	1Q-2009	On year	On quarter
	Thousand individuals			%	
<b>Unemployed population</b>	<b>427,0</b>	<b>437,6</b>	<b>495,8</b>	<b>16,1</b>	<b>13,3</b>
Males	192,6	203,3	240,4	24,8	18,2
Females	234,4	234,4	255,4	9,0	9,0
15 to 24	84,4	90,2	97,7	15,8	8,3
25 to 34	124,5	130,5	150,8	21,1	15,6
35 to 44	92,2	101,9	108,4	17,6	6,4
45 and over	125,9	115,0	138,9	10,3	20,8
First and second stages of basic education	304,3	308,1	363,3	19,4	17,9
(Upper) secondary and post-secondary non-tertiary education	66,8	71,4	82,2	23,1	15,1
Tertiary education	55,9	58,1	50,3	- 10,0	- 13,4
Looking for a first job	59,5	61,0	59,3	- 0,3	- 2,8
Looking for a new job	367,5	376,6	436,5	18,8	15,9
<b>NACE-Rev. 1.1</b>					
Agriculture, hunting, forestry and fishing	11,3	11,0	11,3	0,0	2,7
Mining and quarrying, manufacturing, electricity, gas and water supply, and construction	147,6	157,3	194,8	32,0	23,8
Services	208,6	208,3	230,3	10,4	10,6
<b>NACE-Rev. 2 (a)</b>					
Agriculture, hunting, forestry and fishing	10,4	10,5	10,3	- 1,0	- 1,9
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction	147,8	156,6	192,4	30,2	22,9
Services	209,3	209,5	233,7	11,7	11,6
<b>Unemployment rate (%)</b>	<b>7,6</b>	<b>7,8</b>	<b>8,9</b>		
Males	6,4	6,8	8,1		
Females	8,9	8,9	9,7		
Youth (15 to 24)	16,4	18,0	20,1		
<b>Unemployed by duration of search (b)</b>					
Less than 12 months	203,2	226,4	278,5	37,1	23,0
12 months or longer (long-term unemployment)	221,8	209,4	215,0	- 3,1	2,7
Long-term unemployment rate (%)	3,9	3,7	3,8		
<b>Inactive population</b>	<b>4 997,4</b>	<b>5 017,2</b>	<b>5 035,9</b>	<b>0,8</b>	<b>0,4</b>
Inactive population (15 and over)	3 370,4	3 395,3	3 417,8	1,4	0,7
Males	1 308,0	1 326,2	1 356,6	3,7	2,3
Females	2 062,4	2 069,0	2 061,2	- 0,1	- 0,4
15 to 24	718,6	708,8	716,0	- 0,4	1,0
25 to 34	166,0	163,8	160,6	- 3,3	- 2,0
35 to 44	162,9	159,7	165,5	1,6	3,6
45 to 64	803,4	826,8	818,3	1,9	- 1,0
65 and over	1 519,5	1 536,1	1 557,4	2,5	1,4
Students	748,2	746,9	770,7	3,0	3,2
Looking after home / family	556,0	534,9	527,1	- 5,2	- 1,5
Retired	1 731,4	1 792,5	1 803,6	4,2	0,6
Other inactive	334,8	320,9	316,4	- 5,5	- 1,4
<b>Inactivity rate (15 and over) (%)</b>	<b>37,5</b>	<b>37,7</b>	<b>37,9</b>		
Males	30,4	30,7	31,4		
Females	44,0	44,1	43,9		

Source: INE, Employment Statistics - 1<sup>st</sup> quarter of 2009.

**Notes:**

(a) With the coming into force of the NACE-Rev. 2, the Labour Force Survey launched a process of double coding the economic activities, from the 1<sup>st</sup> quarter of 2008 onwards. Since the 1<sup>st</sup> quarter of 2008, the LFS estimates will be published by both NACE-Rev. 1.1 and NACE-Rev. 2, until the 1<sup>st</sup> quarter of 2009.

(b) The variable "duration of search for employment" does not include the unemployed workers that have already found a job which will start within a period of at most 3 months. As a consequence, the sum of the number of unemployed individuals by duration of search can be less than the total unemployed population.

o Figure that corresponds to less than half the absolute value of the unit used.  
- Null.

**TECHNICAL NOTE**

The main purpose of the Labour Force Survey is to characterise the population in terms of the labour market. It is a quarterly sample survey, addressed to families occupying the same dwelling in the national territory, which makes available quarterly and annual data. The information is obtained directly, through computer-assisted interview. Published data were calibrated, based on independent estimates of the population, calculated from the definitive results of the 2001 Census.

**SOME CONCEPTS**

For additional concepts see the publication Employment Statistics – 1<sup>st</sup> quarter 2009 (“Estatísticas do Emprego – 1<sup>o</sup> trimestre de 2009”).

**Participation rate**

Rate that is defined as the ratio of the labour force (active population) to total population.

P.R. (%) = (Labour force / Total population) x 100

**Participation rate (15 and over)**

Rate that is defined as the ratio of the labour force to working age population (aged 15 years old and over).

P.R. (%) = (Labour force / Population aged 15 years old and over) x 100

**Unemployment rate**

Rate that is defined as the ratio of the unemployed population to total labour force.

U.R. (%) = (Unemployed population / Labour force) x 100

**Long term unemployment rate**

Rate that is defined as the ratio of the population unemployed for 12 months or over to total labour force.

U.R. (%) = (Population unemployed for 12 months or over / Labour force) x 100

**Employment rate (15 and over)**

Rate that is defined as the ratio of the employed population to working age population (aged 15 years old and over).

E.R. (%) = (Employed population / Population aged 15 years old and over) x 100

**Inactivity rate (aged 15 and over)**

Rate that is defined as the ratio of inactive working age population (aged 15 years old and over) to total working age population.

I.R. (%) = (Inactive population aged 15 years old and over / Population aged 15 years old and over) x 100

**Year-on-year rate of 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 rate of 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.

**Quarterly rate of change**

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

**Annual rate of change**

The annual change compares the average level of the variable for the four quarters of the last year over the average level of the variable for the four quarters of the previous year. Being an average, this indicator is less sensible to sporadic effects in the variable.

**DATE SCHEDULED FOR THE NEXT PRESS RELEASE**

August, 14<sup>th</sup> 2009.

The publication Employment Statistics – 1<sup>st</sup> quarter of 2009 (“Estatísticas do Emprego – 1<sup>o</sup> trimestre de 2009”) associated with this press release is available, free of charge, at [http://www.ine.pt/portal/page/portal/PORTAL\\_INE/Publicacoes](http://www.ine.pt/portal/page/portal/PORTAL_INE/Publicacoes).