

ABSTRACT

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Subject:	Labour Force Survey
Title:	Labour Market Flow Statistics

Abstract:

Since the 1st quarter of 2006 and up to the 3rd quarter of 2021, statistics on labour market flows (transitions between employment, unemployment, and inactivity) were published in the (quarterly) Press Release “Employment Statistics”. However, in February 2022 Statistics Portugal started to publish in an autonomous Press Release the quarterly transitions of the population aged 16 to 89 with reference to the 4th quarter of 2021, along with the quarterly and annual flows since the 1st quarter of 2011 in line with the conceptual changes introduced at the beginning of 2021 (updated labour status definitions).

This Press Release also covers quarterly and annual flows of the employed population by professional status (employee and self-employed), permanency of the job (permanent and temporary or other contractual arrangement) and full-time and part-time workers and employees. It also includes quarterly and annual flows to employment from the subgroups of duration of unemployment (short-term and long-term unemployment, i.e., 12 months or over), as well as the flows between employment and type of inactivity (“potential workforce” and “other inactivity”) and information on job-to-job transitions.

It should be noted that, while the quarterly flow results from the comparison of the target quarter with the previous one, the annual flow corresponds to the average of the four flows that result from the comparison of each quarter of the target year with the corresponding quarter of the previous year.

The underlying methodology of quarterly and annual flows is possible due to the rotational design of the LFS allowing the follow-up of persons who remain in the sample for a maximum period of one and a half year (the sample, consisting of private dwellings of usual residence, is divided into six subsamples and in each quarter a subsample is replaced by a new one after being observed for six consecutive quarters).

Estimates of quarterly flows between labour market states (gross and net flows and in percentage of the initial state) are calculated considering the subsample of persons who responded simultaneously to the target quarter and the previous quarter, which represents about 5/6 of the quarterly sample size. Estimates of annual flows between labour market states are derived from the average of the four flows that result from the comparison of each quarter of the target year with the corresponding quarter of the previous year. The respective subsamples consist of persons, which represent about 1/3 of the quarterly sample size.

The weighting factors of persons in the subsample of quarterly flows and in the four subsamples of annual flows are calculated, in a first step, from the cross-sectional weights of the target quarter and the cross-sectional weights of the four quarters of the target year, respectively. These weights are adjusted according to the estimates of the resident population by NUTS III region in the target quarter or in the four quarters of the target year to compensate the sample size reduction. In a second step, these weights are calibrated to ensure the consistency of the estimates of quarterly flows with the quarterly estimates, as

well as the consistency of the estimates of annual flows with the annual averages according to the distribution of the population by region (NUTS II level), sex and ten-year age groups and labour status estimates for the breakdowns published in the Press Release.

For reasons of consistency, quarterly or annual changes in the total population (movements in and out of scope: natural balance and net migration) are reflected in the inactive population of the previous quarter or the four quarters of the previous year, respectively.

Based on the results of the 1st quarter of 2023, a model-based analysis has also been conducted using logistic regression models to estimate the average probability of transition from unemployment to employment by duration of unemployment, unemployment status and some sociodemographic characteristics.

The presentation will focus on all these topics as well as on challenges for the future.