

**EMPLOYMENT AND TRAINING  
2022 ANNUAL REPORT**

*EXECUTIVE SUMMARY*

## EXECUTIVE SUMMARY

### *1. Macroeconomic scenario - Portugal in the European context*

- 1.** The year 2022, still impacted by the pandemic, is particularly affected by the war in Ukraine and its impact on supply chains, especially energy, and consequently on people's cost of living. The signs of recovery that emerged in 2021, counteracting the negative effect of the pandemic, will be counteracted by this new economic shock caused by the war.
- 2.** If 2020 interrupted the positive contribution of net domestic demand to GDP growth that had been observed since 2014, with an abrupt drop that year of more than eight p.p., 2021 emerged as a year of recovery, with a contribution from net demand higher than that recorded in 2019.
- 3.** In terms of the contribution of net external demand, the positive trend that began in 2021 is reinforced in 2022, with a positive net external demand resulting from a reduction in imports and an increase in exports. Finally, the external balance of goods and services, although recovering slightly compared to 2021, remains negative. Although there was a strengthening of the positive external balance of services, this was accompanied by a worsening of the negative external balance of goods, which did not reverse the trend of the total balance.
- 4.** Contrary to what happens in the EU, in Portugal, per capita GDP shows a more interesting evolution. The upward trend, which accelerated from 2015 onwards, peaked in 2019, when Portugal's GDP per capita clearly evolved in a more interesting way than Europe's GDP per capita, and managed to surpass the global figure. The year 2022 reinforces the trend of GDP recovery, with growth tending to slow down in Europe compared to Portugal.
- 5.** As for the evolution of the State's activity, translated by the public debt and deficit relative to GDP, since 2017 there has been an effort to reduce the debt and recover the deficit. In fact, 2019 presented the lowest value of debt, accompanied by a positive balance of public accounts, a trend that the pandemic has reversed. The debt reduction trajectory that began in 2021 is maintained in 2022.
- 6.** The sharp reduction in the public deficit and the recovery of public debt, accompanied by GDP growth, which had contributed to the reduction in long-term interest rates borne by the Portuguese state and their convergence with those observed in the average of EU countries in 2021, were unable to counteract the increase in long-term interest rates in 2022. The slight

inversion of the trend, already signalled in the European space in 2021, is clearly materialized in 2022 in Europe and Portugal.

7. The upward trend in interest rates in 2022 is not noticeable in gross fixed capital formation, which continues to increase both in the EU and in Portugal. This result is to some extent accommodated in the recent debate regarding the role of interest rates in investment decisions, particularly in the case where they increase, when faced with the importance of other factors of an institutional nature or associated with context costs. Sectorally, the recoveries observed in 2021, after the declines in 2020, continue.
8. The recovery of the Portuguese economy, after the strong crisis of the 2009-2013 period, was interrupted in 2020 with a strong impact of the pandemic on the economic activity. The year 2021 is expected to be a year of recovery. However, this recovery does not always translate into convergence with the European reality. In 2022, possible signs of the impact of the pandemic were expected in dimensions in which it had not yet manifested itself, as well as a worsening of the performance of the Portuguese economy, due to the outbreak of war in Ukraine.
9. However, while the context of war has shown itself in the sharp rise in prices and long-term interest rates throughout Europe, in 2022, in most of the other indicators analysed, the effect does not yet seem to have taken place.

## ***2. Summary analysis of labour market developments***

### ***2.1. Labour supply***

10. According to data from INE's Employment Survey, 9,787.7 thousand people lived in mainland Portugal in 2022, a decrease of 0.1% compared to 2021. The male population fell by 0.4% and the number of female residents remained the same as in the previous year.
11. Looking at the Emigration Observatory's (OE) data for 2021, we find that the migratory balance was positive (+25.6 thousand individuals): the permanent departure from Portugal of 25.1 thousand people more than compensated the permanent entry of 50.7 thousand immigrants (31 thousand from countries outside the EU28; 19.7 thousand from the rest of the Union).
12. In Mainland Portugal in 2022, the inactive population aged 16 or over totalled around 3,418.7 thousand people (-1.8% YoY). About 55.5% were retirees, but compared to 2021, there was a drop of 2.2%. In addition to the category of students, they were the least decreased compared to 2021. Students accounted for 20.3%.

- 13.** In 2022, the activity rate of the population aged 16 and over was 60% - a increase of 0.8% YoY. Both the male (64,3%, +0,7%) and the female (56,3%, +0,9%) rates increased in relation to 2021.
- 14.** The activity rate in 2022 grew for all age groups. The biggest increase was in the 55 to 64 age group (2.7%). With regard to women, there was a slight decrease in the 25 to 34 age group (0.1%).
- 15.** In 2022, for the third year in a row, the proportion of Portuguese young people who left school early, i.e. the population aged 18 to 24 whose level of education does not go beyond the 3rd level of basic education (ISCED 0-2) and who no longer attend school or any other type of training, was lower than the average in the EU. It should be noted that this early school leavers, which has been progressively decreasing, has shown a more pronounced decrease in Portugal than in the average of European countries.
- 16.** In 2022, the percentage of young persons between the ages of 16 and 29 who were not in employment, education or other types of training (NEETs) was 8,8% – below the European average of 11.7% (+3.3p.p.).

## **2.2. Employment**

- 17.** In mainland Portugal, 4,670.3 thousand people were employed, an increase of 87 thousand compared to the previous year. Employed men made up 50.3% of the total, but the number of employed women grew more (2.4%).
- 18.** In 2022, in Mainland Portugal, the employment rate for individuals with basic education was 34.1%. The share of the employed with secondary education was 31,4% and higher education was 34,5%. Between 2021 and 2022 the number of people employed with basic education fell by 1,3%, the population employed with secondary education grew by 4,6% and people employed with higher education grew by 2,7%.
- 19.** In 2022, about 3,956.5 thousand individuals were employed in Mainland Portugal, representing 84.7% of the total number of employees, 682.7 thousand were self-employed, constituting 14.6% of the total, and 31.1 thousand were unpaid persons engaged in family duties. About 64.5 per cent of self-employed workers (TCPs) were working alone.
- 20.** In 2022, in Mainland Portugal, the full-time employed population totalled 4,306.8 thousand people, representing 92.2% of the total number of employees and increased by 2% compared to the previous year (84.7 thousand more people). Men who worked full-time made up 51.4% of the total and grew less than women, compared to 2021.

- 21.** Between 2021 and 2022, part-time workers grew by 0.7% (2.5 thousand more individuals), with the number of women in this category decreasing by 5 thousand.
- 22.** In mainland Portugal, in 2022, of the 3,956.5 thousand individuals working as employees (TCO), 83.6% (around 3,307.3 thousand individuals) had open-ended contracts, an increase of around 93.4 thousand compared to 2021. As far as TCOs with fixed-term contracts are concerned, they account for 13.7% (540.6 thousand people), down from the previous year by around 16.5 thousand people.
- 23.** In 2022, 72% of employed individuals in the mainland, approximately 3,267.6 thousand, worked in the Services area, while 27.2% (equivalent to 1,271.6 thousand) were employed in Industry, construction, energy, and water.
- 24.** Between 2021 and 2022, employment fell in the Services sector by around 70,000 people (1.2%). On the other hand, in Industry, construction, energy and water, there was an increase of 27.2 thousand people (11.1%) and in Agriculture, livestock production, hunting, forestry and fishing, employment grew by 2.6 thousand people (2%).
- 25.** In 2022, in Mainland Portugal, and as in previous years, the largest groups in terms of employed population were Specialists in intellectual and scientific activities, which represented 24.2% of the total number of employees, Workers in personal services, protection and security and sales workers (17.4%) and Skilled workers in industry, construction and craftsmen (12.3%).
- 26.** According to data from the Directorate-General for Administration and Public Employment (DGAEP), in December 2022, on the mainland, there were 686.2 thousand jobs occupied<sup>1</sup> in public administrations, an increase of 8 thousand compared to the same period. About 61.8% of these jobs were occupied by women, who had an increase of 7.2 thousand jobs compared to the previous year, while men had only an increase of 824 jobs.
- 27.** Considering the data from Statistics Portugal's Employment Survey, it is estimated that Portugal had an underemployment rate of around 11.4% in 2022.

### **2.3. UNEMPLOYMENT**

- 28.** According the data from Statistics Portugal's Employment Survey, 297.4 thousand persons were unemployed in mainland Portugal in 2022 – a YoY reduction of 22.6 thousand (7.1%). Women

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<sup>1</sup> DGAEP publishes data on occupied posts. Some posts can be occupied by more than one person, while conversely the same person can occupy more than one post, particularly in the education and human health sectors.

represented 53.9% of the total – a 3.7% reduction between 2021-2022. The number of unemployed men decreased significantly (10.8%).

- 29.** Between 2021 and 2022, unemployment fell in almost all age groups, except in the 35 to 44 age group, which increased by 5.2%. The number of unemployed men grew significantly in this age group (9.6%). As for women, the number of unemployed grew significantly in the 55 to 74 age group (37.7%).
- 30.** Over the last decade, the Portuguese unemployment rate has shown a progressive decrease. In effect, in 2013, it reached 17.2%, the year in which unemployment in Portugal peaked in this series, and since then it has reversed the trend with successive decreases in the unemployment rate that, in 2022, was at 6%.
- 31.** In 2022, in mainland Portugal, the unemployed population looking for a new job made up 85.9% of the total unemployed (around 255.4 thousand people). The unemployed looking for their first job totalled 14.1% (42,000 people). Compared to 2021, unemployment in 2022 rose slightly in the category of unemployed people looking for their first job and fell in the category of unemployed people looking for a new job.
- 32.** In 2022, of the 297,400 unemployed in mainland Portugal, around 145,700 (49% of the total) had been unemployed for 12 months or more, i.e. were long-term unemployed (LTU). Between 2021 and 2022, the number of long-term unemployed fell by around 8.3 thousand people. Those unemployed for up to 12 months also fell quite sharply, by around 14.3 thousand. In 2022, women accounted for 54.9% of LTUs, with their numbers increasing by around 0.9 p.p. compared to 2021.
- 33.** According to data provided by IEF<sup>2</sup>, 291.4 thousand people were unemployed at the end of December 2021, which represented a decrease of approximately 36 thousand people compared to the previous year. This drop in unemployment was felt by both sexes, although the number of women registered at the Job Centres fell slightly (11.8% fewer women than 9.8% fewer men).
- 34.** In Portugal, according to the statistical data provided by MTSSS-II, about 149.8 thousand beneficiaries were receiving unemployment benefits in Portugal in 2022. Of these, 537 individuals were receiving an allowance for termination of an activity – i.e. they were independent workers.

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<sup>2</sup> Data collected in February 2023.

## 2.4. Labour flows between employment, unemployment and inactivity

- 35.** In 2022, the employed population showed a positive balance of around 96.4 thousand people, resulting from the entry in the job market of individuals coming from a situation of inactivity or unemployment. The economically inactive population, on the other hand, decreased by about 71,5 people, mainly due to the number of people who moved from inactivity to employment. As for the number of unemployed people, there was also a decrease, which although smaller (-24,9), was mainly due to the outflow of unemployed people into employment.
- 36.** According to information provided by the Directorate-General for Administration and Public Employment, in December 2022, around 125,300 workers entered the Public Administrations on the mainland, of which around 66,900, or more than half, were new hires<sup>3</sup> and the rest came from mobility and other situations<sup>4</sup>.
- 37.** Looking at the Social Security statistical data provided in the *Statistical Bulletin* of the Office for Strategy and Planning (GEP), during 2022, 416 employers were in a Lay-off situation, which corresponded to a decrease of 40% compared to the previous year.
- 38.** In 2022, the statistical data made available by the Directorate-General for Employment and Labour Relations (DGERT)<sup>5</sup> showed that 330 collective redundancies were reported which comprised around 3,800 workers<sup>6</sup> (19.3% less than in 2021). In year-on-year terms, in 2022, there was a decrease of 1.8% in the number of reported collective redundancies, which corresponded to six fewer redundancies.

## 3. Corporate Structure and Workers in the Companies

- 39.** In 2021, 271,800 companies responded to the *Personnel tables*<sup>7</sup> (QP), around 5,800 fewer companies than in 2020. Despite a slight increase in 2018, the number of companies has been on a downward trend in recent years.
- 40.** According to the *Personnel tables*, in 2021, there were 3,105.9 thousand workers working in companies, about 18.7 thousand less than in the previous year. It should be noted that, in 2021,

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<sup>3</sup> Includes the workers of entities that were reclassified into this subsector.

<sup>4</sup> Includes internal recruitment, mobility, secondment, return from unpaid leave or from a trial period, service commission (beginning or return), and other situations.

<sup>5</sup> Data collected in March 2023.

<sup>6</sup> This includes workers made redundant as part of procedures initiated in 2022 that were not decided until 2023.

<sup>7</sup> Latest available data, to date.

the number of workers employed by companies was already much higher than in 2017 (around 154.5 thousand more workers).

41. According to data from the Social Security IT Institute, 6,261,500 work contracts were registered in December 2022<sup>8</sup>. Of these, 938 thousand, or 15%, were new contracts<sup>9</sup>. Between 2021 and 2022 the number of contracts registered with the social security services increased by 8.8%, although the number of new contracts fell by 38.6%.
42. According to the *Personnel tables*, in 2021, there were about 237.1 thousand foreigners in companies in Mainland Portugal, of which 228.5 thousand (96.4%) were TCOs and 8.2 thousand were employers, representing 3.4% of the total number of foreigners. Compared to 2020, foreign TCOs increased by around 4.9% (10.8 thousand more people) while employers decreased by around 0.8% (69 fewer employers).
43. In 2021, there were about 25,800 firms in high and medium-high technology fields<sup>10</sup> and they accounted for about 2.2% of the total. Compared to the previous year, the number of these companies grew by 13.1%, thus maintaining the trend of the last five years. Thus, in 2021, there were around 6,700 more companies in the high and medium-high technology sectors than at the start of the series under analysis. On the other hand, there were 271,500 people employed in companies in the high and medium-high technology fields<sup>11</sup>, which represented 6.4% of all these workers. The number of people employed in companies in these sectors increased by 6.3%, which represented an increase of around 16,000 people compared with the previous year.
44. According to information provided by the MTSSS's Office for Strategy and Planning, in 2020<sup>12</sup> there were around 156,000 accidents in the workplace in Portugal, including 131 fatal accidents, 27 more deaths and 40,200 fewer accidents than the previous year. However, considering the evolution of accidents in the workplace over the last five years, there has been a downward trend in the number of accidents, which was more pronounced in 2020, despite the fact that fatal accidents showed an increase in the last year under analysis.

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<sup>8</sup> Contract in the year = Contract of an individual (employee or member of a statutory body) with an employer (head office in mainland Portugal) valid for at least one day in the year.

<sup>9</sup> New Contract = Contract of an individual (employee or statutory governing body member) with an employer (head office in mainland Portugal) with start date in the year.

<sup>10</sup> The high and mid-high technology sectors include high and mid-high technology industries and high-tech knowledge-intensive services (divisions 21 to 26 and group 303; divisions 20, 27, 28 and 29 and groups 254,302,304,309 and 325 and divisions 59, 60, 61, 62, 63 and 72 of the CAE, Rev3). (See appendix at the end of this subchapter).

<sup>11</sup> The high and mid-high technology sectors include high and mid-high technology industries and high-tech knowledge-intensive services (divisions 21 to 26 and group 303; divisions 20, 27, 28 and 29 and groups 254,302,304,309 and 325 and divisions 59, 60, 61, 62, 63 and 72 of the CAE, Rev3). (See appendix at the end of this subchapter).

<sup>12</sup> Data collected in March 2023. The lack of more recent information only allows an analysis with data up to the end of 2020.



**45.** At the end of 2022, according to information made available for the continent by the MTSS's Social Security Institute, around 2530<sup>13</sup> thousand sick leaves were terminated, which represented a year-on-year increase of 80.7%. Over the past five years, the number of sick leaves shows an upward trend, especially from 2020 onwards.

#### **4. Earnings and Wages**

**46.** According to data from the Personnel Survey<sup>14</sup>, the average monthly earnings of full-time employees (TCOs) in Mainland Portugal in October 2021 were 1,294.10 € (+3.5% compared to October 2020). Median monthly earnings were 962.20 € (+3.9% YoY).

**47.** The average monthly pay for men was € 1,395.69, while the average pay for women totalled € 1,172.07. Both increased in relation to 2020, although the women's grew more than the men's, so the difference between average pay narrowed slightly, as has already been the case in recent years. Therefore, in 2021, the average monthly salary for women was 84 % of the salary for men when five years ago it was 81.7%.

**48.** In October 2021, the average monthly regular pay for TCOs working full-time was €1,082.77, (83.7% of the average monthly pay) and grew by about 3.9% compared to 2020. The average regular pay for men was € 1,152.23 and € 999.32 for women, representing 86.7% of the men's average.

**49.** Analysis of the pay structure applicable to TCOs who worked full-time in 2021 (monthly base pay plus regular supplementary amounts) reveals that more than half of them (66,9%) were concentrated in the € 635,01 and € 999,99 pay bracket. These were followed by the € 1,000.00-2,499.9 bracket, which encompassed 27.8% of such workers. The bracket between "€2,500 and €4,999.99" accounted for 4.2% and the bracket of "€5,000 or more" around 0.7%. The National Minimum Wage (SMN) increased to € 665 /month in 2021. Around 0.4% of workers were in the lowest pay bracket.

**50.** Analysing the average monthly regular pay, considering the type of contract, and according to the information in the Personnel Survey, it can be seen that in 2021, in Mainland Portugal, the average monthly pay of TCOs working full time was € 1,158.47, for those with open-ended contracts, € 879.14 for those with fixed-term contracts, (i.e. approximately 75.9% of the average

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<sup>13</sup> So as not to violate statistical secrecy, this total does not include the residual figures for leaves terminated by women aged 20 to 24 and men under 20.

<sup>14</sup> Data collected in march 2023.

regular pay of those with permanent contracts) and € 905.07 for those with temporary contracts.

- 51.** According to the data provided by INE for Portugal in 2022, the Labour Cost Index rose by 4.2% year-on-year, having increased in almost all sectors of activity, with the exception of *Arts, entertainment, sports and recreation activities* (minus 4.5%), *Accommodation and food service activities* (minus 3.9%) and *Other service activities* (minus 1.7%).
- 52.** According to DGAEP data, in 2022<sup>15</sup>, the average monthly pay for full-time public administration workers in Mainland Portugal was € 1,846. Compared to 2021, average earnings grew by 2.5%, corresponding to an increase of € 45.5. Over the last five years, the average monthly pay has increased by 7.2%, rising from € 1,722.0 in 2018 to € 1,846.0 in 2021, an increase of € 124.

## **5. Vocational Training and active employment measures**

- 53.** In 2022, the information registered in the Integrated Educational and Training Offer Information and Management System (SIGO)<sup>16</sup> (provided by the Directorate-General for Education and Science Statistics) includes several training modalities, both dual certification training and certified modular training, in the scope of the National Qualifications Catalogue, as well as other vocational training not included in that Catalogue.
- 54.** In 2022, looking at data from the *Integrated Information and Management System for Educational and Training* (SIGO), 250,900 people attended education and training courses. Of these, 188.1 thousand (74.9%) attended training courses targeted at young people up to 24 years of age<sup>17</sup>, and the remaining 62.8 thousand attended training courses targeted at adults. Between 2021 and 2022, the number of people attending dual certification training increased by 34.8%, after having decreased by 24.8% in the previous year. There was a 39.5% increase in those attending youth training courses and a 25.2% increase in those attending adult training courses.
- 55.** In 2022, about 735,000 people attended modular training within the National Qualifications Catalogue, 9,7% more than in 2021. Women accounted for 62% of total trainees. The trainees were evenly distributed over the various age groups from 15 years onwards, reaching 25% of the total in the 50 or over age group and 28.3% in the 35 to 44 age group.

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<sup>15</sup> The data presented in this chapter is for the month of October.

<sup>16</sup> SIGO covers the network of training entities of the National Qualifications System (SNQ), including the Qualifica Centres.

<sup>17</sup> The data received from SIGO for this report does not include information on apprenticeships or Technological Specialization Courses. This information is further analysed in 5.2.

- 56.** Still in 2022, there were 907 thousand people attending training<sup>18</sup> not included in the National Qualifications Catalogue, which translates into an increase compared to 2021 (18% more). On the other hand, more than half of those attending were men.
- 57.** In 2022, the training courses promoted by the IEFP covered 415.3 thousand people, of which 290.7 thousand were covered by Continuous Training (70%), 65.9 thousand (15.9%) by Initial Training, 22.4 thousand (5.4%) by Inclusion Training, 24.3 thousand (5.9%) by other training measures, including the Training Voucher and Training for Trainers, and around 12 thousand (2.9%) by the Other Activities of the Participated Management Centres.
- 58.** In 2022, the employment support measures promoted by IEFP covered around 105.6 thousand people. Of these, 36.2% benefited from social inclusion measures - *socially necessary work*, 36% benefited from *Professional integration* measures<sup>19</sup>, 23.5% benefited from *Support for hiring*, 2.6% benefited from *Other support for promoting employment* and around 1.7% benefited from *Support for job creation and companies*<sup>20</sup>.
- 59.** In 2022, the use of information and communication technologies to carry out a range of activities continued to become widespread in various fields and activities, including vocational training. In this context, and according to data from the IEFP, 53 % of the training courses took place in person and 37 % were distance learning, covering 52 % and 38 % of the total number of trainees respectively. It should be noted that 10 % of the training sessions took place under a mixed regime (with distance and face-to-face training) and involved 10 % of the total number of trainees.
- 60.** According to data made available by IEFP, the job offers received in the Job Centres decreased in 2022, thus inverting the trend of progressive increase that had been seen in recent years. Thus, the number of offers increased by about 8.8%, reaching nearly 129,400 in 2022. On the other hand, in 2022 and in relation to the same period of the previous year, the number of placements made at the Job Centres showed a negative variation of 2.7%, corresponding to a decrease of about 2.3 thousand placements compared to 2021. This means that in 2022, 66.1% of the offers were filled through placements in the Job Centres.

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<sup>18</sup> Training activities in education and training modality promoted by certified entities or entities certified with a DGERT like certification and by non-certified entities.

<sup>19</sup> The Professional Integration measures include professional internships of different types and designations, promoted by the IEFP throughout the reference period: "Employment Internships"; "Professional Internships", "ATIVAR.PT Internships" and "Employment - Active Youth".

<sup>20</sup> This measure is aimed at unemployed people receiving unemployment benefit, social unemployment benefit or social insertion income to carry out socially useful work for a period of up to 12 months in public or private non-profit organisations. It includes the "Employment-insertion contract" and "Employment-insertion contract +" measures.