ILO unemployment and labour market-related indicators
(results of the Labour Force Survey)

Sources used

The continuous Labour Force Survey is a household survey covering everyone aged 15 or over. It provides a measurement of the concepts of activity, unemployment, employment and inactivity as defined by the International Labour Organization (ILO). It is the only source for implementing the definitions recommended by the International Labour Organization (ILO). This is a quarterly survey, with data collected continuously, during every week of every quarter within the scope of ordinary dwellings (excluding communities: workers' hostels, hospitals, prisons, etc.).

In **metropolitan France**, about 65,000 households are surveyed every quarter, representing a sample of respondents of about 100,000 people aged 15 or over. Every quarter, one sixth of the sample is renewed, with five-sixths being retained, to ensure a better accuracy of variations. The survey is supplemented by a postal survey of non-respondents, of which the results are available for publication the following quarter.

Since 2014, the Labour Force Survey has also been conducted on an ongoing basis in **four overseas departments** (Guadeloupe, French Guiana, Martinique, Reunion Island). About 7,000 households, corresponding to 11,500 people aged 15 or over, are interviewed every quarter, using exactly the same questionnaire as that used in Metropolitan France. Up to and including 2013, results from the overseas departments were published using data from the annual survey taken in the second quarter of the year. An annual survey has also been put in place in Mayotte from 2013.

Every ten years or so INSEE overhauls the Labour Force Survey questionnaire to take account of labour market developments. On that occasion, the long series published with *Informations Rapides* are backcasted to make them consistent with this new questionnaire. The latest update was done in 2013.

Series and method

The **unemployment rate** is calculated as the ratio of the number of unemployed to the number in the labour force (people in employment or unemployed). Until 2014, when the scope of coverage was all of France (excluding Mayotte), supplementary data were required in the overseas departments to estimate the number of people who were unemployed and in employment during the three quarters when there were no survey results. Administrative data were also used to estimate sub-annual changes in unemployment and employment[1]. These data continue to be used, until there was a sufficient timescale available to be able to estimate seasonally-adjusted series based only on data from the continuous Labour Force Survey.

In addition to the unemployment rate, there are **other labour market indicators** relating to the structure of the population (employment, unemployment, activity), the nature of employment (type of contract, work time), and situations similar to unemployment (unemployment halo). At present, these indicators cover only Metropolitan France.

All the series are adjusted for seasonal variations using the X13-ARIMA method in the JDemetra+ software package.

Publication and revision of series

The quarterly results of the Labour Force Survey for a given quarter are published **in the middle of the second month following the end of that quarter**. Results for the last available quarter are provisional. This is because data from the survey of non-respondents for the quarter in question are not available on the date of publication. An extrapolation is therefore carried out from the results of

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[1] . In the case of unemployment, these quarterly estimates were based on the numbers registered with *Pôle Emploi* (Job Centre) (category A jobseekers at the end of the month), and for employment, on estimates of salaried jobs within the market sectors, based on URSSAF data. Results from the Labour Force Survey of the overseas departments were adjusted annually, as soon as they became available.

the survey of non-respondents for the previous year. The results for the quarter are then revised in the following quarter, to include the results from the survey of non-respondents for the quarter in question. However, this non-respondents survey will be stopped from 2018.

For the unemployment rate where the scope of coverage is Metropolitan France and the overseas departments (excluding Mayotte), data are revised once a year, when data from the four quarters of a complete year of the overseas departments continuous Labour Force Survey become available.

The seasonal adjustment coefficients are recalculated every quarter, which may result in a slight revision to the whole of each series. Seasonal adjustment models are recalculated once a year, at the time Q1 results are released. For the publications related to other quarters, the coefficients are recalculated under unchanged models.

Lastly, regular revisions of demographic data from the final resets of the census, known with a four-year lag. This results in slight changes being made annually (for Q1 release) to numbers and rates estimated using the Labour Force Surveys four years before the reference year.

Understanding the results in *Informations Rapides*

ILO UNEMPLOYMENT AND UNEMPLOYMENT RATE

An **unemployed person as defined by the International Labour Organization (ILO)** is a person of working age (conventionally 15 or over) who meets the following three criteria:

1) has not worked, not even for one hour, in the course of the reference week,

2) can be available for work within two weeks,

3) has actively looked for a job in the previous month, or has found one starting within the next 3 months.

The **share of the unemployed** is the ratio of the number of unemployed to the number of people in a considered population; this is different from the **unemployment rate**, which is the ratio of the number of unemployed to the active population (in employment or unemployed).

A **long-term unemployed person** is a person who is seeking a job for a year or more. The **long-term unemployment rate** is the ratio of the number of long-term unemployed to the active population.

ILO EMPLOYMENT

An **employed** person as defined by the ILO is a person aged 15 or over who worked at least one hour for pay or profit during the reference week or was temporarily absent from such work (because of annual leave, sick leave, maternity leave, etc.).

The **employment rate** is the ratio of the number of people who have a job to the total population.

The **permanent employment rate (resp. fixed-term or temporary)** is the ratio of the number of people employed on a permanent contract (resp. fixed-term contract or temporary contract) to the total population.

The **full-time equivalent employment rate** is the ratio of the number of people employed, converted into full-time equivalent for their principal employment, to the total population.

The **core (or standardised) employment rate** eliminates the uneven demographic weights of age brackets covered in the employment rate. It is the arithmetic mean of employment rates by age examined.

ILO ACTIVITY

An active person as defined by the ILO is a person who is either employed or unemployed regarding ILO's definition.

The **activity rate** is the ratio of the number of people in the labour force (in employment or unemployed) to the total population.

Active life expectancy is the average duration of activity, in years, of a fictitious generation subjected to the conditions of activity of the period. Like the core employment rate, it is independent of demographic structure.

Halo of unemployment

The **halo of unemployment** consists of people who are inactive as defined by the ILO, but who are close to the labour market: these are people who are seeking a job but are **not available for work within two weeks**, people who want to work but who **have not been actively seeking work** in the previous month, whether they are available or not.

The halo is divided into three categories:

  − people seeking a job, but who are not immediately available: indicator 1;
  − people wanting to work, and who are available, but not actively seeking work: indicator 2.
  − people wanting to work, but who are not available and not actively seeking work: indicator 3.

The first two of these indicators correspond to the Eurostat definition of the halo. The third, which is more removed from the labour market, refers to the definition recommended in 2008 in the context of « Emploi, chômage, précarité. Mieux mesurer pour mieux débattre et mieux agir[2] » a report by the National Council for Statistical Information (CNIS).

ILO underemployment

Underemployment covers people who are working part-time, who would like to work more and who are available for work, whether they are looking for work or not. Underemployment also includes people who have unintentionally worked less than usual, due to technical or partial unemployment, for example.

The definition of underemployment used by Eurostat does not include technical or partial unemployment and is therefore slightly more restrictive than the definition adopted by INSEE.

Accuracy of the main indicators

The continuous Labour Force Survey is conducted on a sample of households, designed to be as accurate as possible at a given cost. Results from sample surveys are estimates, subject to some uncertainty which can affect interpretations, especially for short-term comparisons.

Taking into account sampling variability, the quaterly unemployment rate can be estimated with a so-called « 95% confidence interval » of plus or minus 0.3 percentage points : when the unemployment rate is estimated at 10.0%, one can be 95% confident that its real value, which would have been measured if the survey was conducted to the entire French population, is between 9.7% and 10.3%.

Quaterly changes' accuracy of the unemployment rate is also impacted by the survey methodology. To prevent uncertainty from adding up, a rotating sampling scheme was adopted, which creates correlation between two consecutives quaterly samples. Thus, quaterly changes of the unemployment rate are also estimated with a 95% confidence interval of plus or minus 0.3 percentage points.

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[2] . De Foucauld J-B., Cézard M. and Reynaud M. (2008), « Emploi, chômage, précarité. Mieux mesurer pour mieux débattre et mieux agir » (*Employment, unemployment, and precariousness. Better measurement for better discussion and better action*), CNIS, *Report* no.108, September.
www.cnis.fr/files/content/sites/Cnis/files/Fichiers/publications/rapports/2008/RAP_2008_108_emploi_chomage_precarite.PDF

Main indicators accuracy in Q13 20187 (non seasonnaly adjusted)

	Non seasonally-adjusted level (thousands)			Non seasonally-adjusted rate (%)		
		Accuracy	95 % confidence interval		Précision	95 % confidence interval
Unemployment	**2 704**	**86**	**[2 618 - 2 790]**	**9,3**	**0,3**	**[9,0 - 9,6]**
Men	1 395	62	[1 333 - 1 458]	9,3	0,4	[8,9 - 9,7]
Women	1 309	58	[1 251 - 1 366]	9,4	0,4	[8,9 - 9,8]
15-24 years	573	40	[533 - 613]	21,1	1,4	[19,7 - 22,4]
25-49 years	1 564	64	[1 500 - 1 629]	8,8	0,4	[8,5 - 9,2]
50 years or more	567	39	[528 - 605]	6,6	0,4	[6,1 - 7,0]
Employment	**25 946**	**146**	**[25 800 - 26 092]**	**65,3**	**0,4**	**[64,9 - 65,6]**
Men	13 423	92	[13 331 - 13 515]	68,8	0,5	[68,3 - 69,2]
Women	12 523	101	[12 422 - 12 625]	61,9	0,5	[61,4 - 62,4]
15-24 years	2 145	64	[2 081 - 2 210]	29,1	0,9	[28,3 - 30,0]
25-49 years	16 129	103	[16 026 - 16 231]	80,6	0,5	[80,1 - 81,1]
50-64 years	7 672	81	[7 591 - 7 754]	62,0	0,7	[61,4 - 62,7]
Activity	**28 642**	**133**	**[28 510 - 28 775]**	**72,0**	**0,3**	**[71,7 - 72,4]**
Men	14 812	80	[14 732 - 14 891]	75,9	0,4	[75,5 - 76,3]
Women	13 830	95	[13 735 - 13 925]	68,3	0,5	[67,9 - 68,8]
15-24 years	2 718	68	[2 650 - 2 786]	36,9	0,9	[36,0 - 37,8]
25-49 years	17 693	83	[17 610 - 17 776]	88,4	0,4	[88,0 - 88,8]
50-64 years	8 231	77	[8 154 - 8 308]	66,5	0,6	[65,9 - 67,1]
Halo of unemployment	**1 458**	**68**	**[1 390 - 1 526]**			
Men	639	43	[595 - 682]			
Women	819	48	[771 - 868]			
15-24 years	284	30	[254 - 314]			
25-49 years	790	49	[741 - 838]			
50 years or more	385	31	[354 - 417]			

Scope: population of people living in households in metropolitan France, people aged 15 years or over (unemployment, halo of unemployment) or 15-64 years (employment, activity)

Source: INSEE, Labour Force Survey

■ Cessation of the non-respondents survey from 2018

Since 2007, when computing quartertly indicators from the continuous Labour force survey (LFS), INSEE has included the results of a complementary survey of non-respondents (NRS). This survey, which is specific to France, was designed to improve the LFS statistical representativeness. The non-respondents survey has been conducted for 10 years, and it now appears it has provided only few statistical benefits, because NRS's and LFS's respondents characteristics are very close. Thus, the NRS impact on main indicators is not very significant: on average between 2013 and 2016, it amounts to –0.06 percentage points on the unemployment rate, +0.05 percentage points on the activity rate of people aged 15-64, and +0.09 percentage points on the employment rate of people aged 15-64. These impacts are well below the indicators' accuracy, which is of plus or minus 0.3 percentage points for the unemployment rate (see above).

All in all, the NRS benefits appear to be very limited, when taking into accounts the cost and constraints it imposes on the indicators computation and release calendar. In particular, as the NRS results for a given quarter are available only with a delay, they have to be predicted to calculate the indicators' first estimate, and then effectively included in the following release. This delay causes slight revisions of the main indicators each quarter.

For these reasons, from Q1 2018 onwards, the survey of non-respondents will no longer be conducted and won't be included to the LFS indicator's calculation. LFS data ~~will be~~has been revised for the last time on May 23rd 2018, in order to include the Q4 2017 NRS. From the Q1 2018 release, no measured or predicted impact of the NRS will be included. Given its past values, the impact of the NRS cessation on main indicators will not be significant for the next LFS releases, including the transition quarter. Thus data will not be back-calculated.

The following figure presents the NRS impact on the quarterly variations of the unemployment rate, the employment rate and the activity rate :

- If the impact of NRS was included neither for Q~~3~~4 2017 and nor for Q1 2018~~Q4 2017~~, the unemployment rate would ~~in~~decrease by 0.~~3~~7 percentage points over the quarter (column (b)), which is identical to the figure published in the February 23rd ~~15th~~ 2018 release (column (c)). Variations of the employment rate and the activity rate would also be unchanged.

- If the impact of NRS was included for Q~~4~~3 2017 ~~and~~but not for Q~~1~~4 201~~7~~8 ~~(as will be the case in the May 23rd 2018 release for Q1), the main indicators would be slightly impacted. T~~, the unemployment rate would ~~also in~~decrease by 0.~~6~~3 percentage points over the quarter. ~~QHowever, q~~uarterly variations of the employment rate and the activity rate would be ~~unaffected~~slightly affected.

Non-respondents survey's impact on main indicators in Q4 2017~~3~~ and Q1 2018~~4 2017~~

	Q4 2017		Q1 2018		Variations between Q4 2017 and Q1 2018		
	Including NRS	**Not including NRS**	**Including NRS if existing**	**Not including NRS**	**Including NRS (previous situation)**	**Not including NRS (as from Q2 2018)**	**Current release**
	(1)	(2)	(3)	(4)	(a)=(3)-(1)	(b)=(4)-(2)	(c)=(4)-(1)
Unemployment rate	8.6	8.6	8.9	8.9	0.3	0.3	0.3
Employment rate (15-64)	65.7	65.7	65.8	65.7	0.1	0	0
Activity rate (15-64)	72.0	72.0	72.3	72.2	0.3	0.2	0.2

Scope: population of people living in households in metropolitan France, people aged 15 years or over (unemployment) or 15-64 years (employment, activity)
Source: INSEE, Labour Force Survey

■ Detailed documentation

- Continuous employment survey since 2003: description and methodology

https://www.insee.fr/en/metadonnees/source/s1061