

Unemployment

In Q1 2017, the number of unemployed fell by 115,000 in France due to a rise in employment and an unexpected fall in the activity rate. In this way, the ILO unemployment rate fell by 0.4 points to 9.6% of the labour force, after 10.0% in Q4 2016.

Through to the end of the year, the rise in employment is expected to be higher than that in the labour force, leading to a further fall in the unemployment rate. At the end of 2017, it should stand at 9.4% in France, i.e. 0.6 points lower than a year earlier.

The unemployment rate fell by 0.4 points in Q1 2017

In Q1 2017, the number of unemployed fell by 115,000 (*Table*): the unemployment rate stood at 9.6% in France (excluding Mayotte), after 10.0% in Q4 2016 (*Graph*). This fall is the result of a solid increase in employment on the one hand, and an unexpected drop in the activity rate on the other. Over one year, the unemployment rate fell by 0.6 points, with a 185,000 drop in the number of unemployed. This takes it to its lowest level since early 2012. In Metropolitan France, the unemployment rate fell by 0.4 points to reach 9.3% at the beginning of 2017, the same level as in Q2 2012. The halo of unemployment¹ increased by 20,000 people between Q4 2016 and Q1 2017, and by 58,000 since Q1 2016.

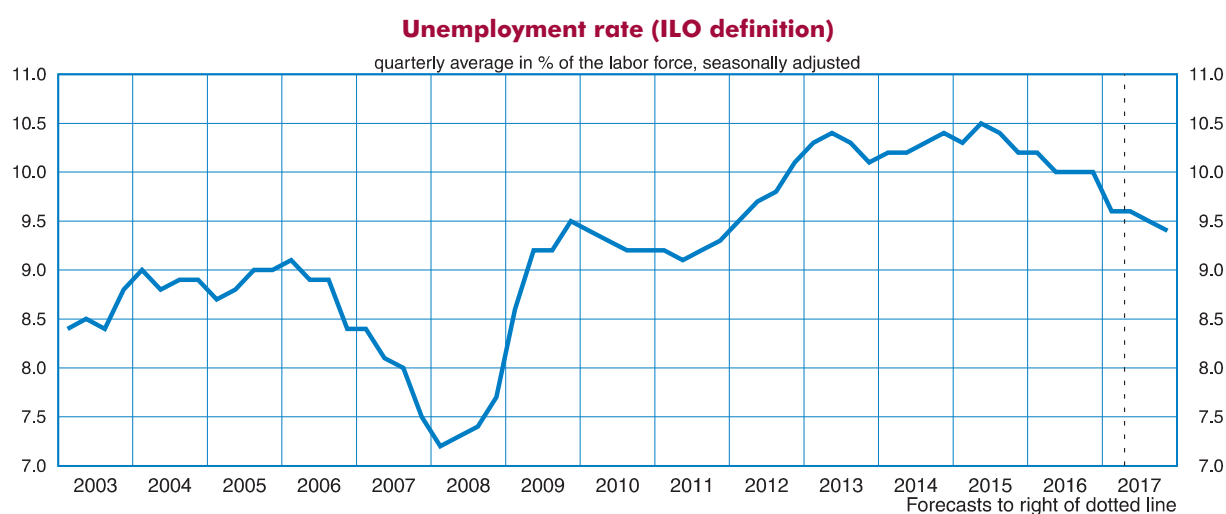
The youth unemployment rate fell again

In Q1 2017, the youth unemployment rate stood at 22.3% of the labour force in France. It dropped by 1.4 points against 2016, after already having fallen 1.7 points in the previous quarter; over one year, it fell by 2.6 points. Young people in particular benefited from the recovery of temporary employment (see *Employment sheet*). The unemployment rate for 25-49-year-olds stood at 9.0% in Q1 2017, falling by 0.4 points from the previous quarter and 0.6 points over one year. However, the unemployment rate for the over 50s stabilised over the quarter, at 6.9%, and barely varied year on year (+0.1 points).

Since the beginning of 2016, the unemployment rate has only decreased for men

In Q1 2017 in France, the male unemployment rate fell by 0.6 points compared to the previous quarter (to 9.5%) whereas the female rate remained steady (at 9.8%). After peaking at +1.0 point in Q3 2015, the gap between the male and female unemployment rates

1. The halo of unemployment is made up of economically inactive persons as defined by the International Labour Office (ILO): it refers to people who are seeking employment but who are not available and people who wish to work but are not seeking employment, whether they are available or not.



Scope: Population of households, people aged 15 or over
Source: INSEE, Employment Survey

French developments

narrowed, and by the beginning of 2017 the male unemployment rate was once again lower than the female rate (−0.3 point). The relative employment dynamics by sector, and especially the improved short-term outlook for temporary employment and construction, have been more beneficial to men than women: the male unemployment rate has dropped by 1.1 points since the beginning of 2017, whereas the female rate has remained steady.

The unemployment rate should fall slightly through to the end of 2017

In 2016, the labour force grew by 196,000, after +38,000 in 2015. This rise stems primarily from the trend increase in the activity rate, in particular for older workers, due to the increase in the effective retirement age. However, it was limited by ongoing early retirements under the specific “long careers” scheme, and by the jobseekers’ training plan announced early in 2016. In 2017, the spontaneous growth in the labour force (+91,000) is expected to be lower than in 2016 (+103,000): the effect of the increase in the retirement age,

which was pushed back again at the beginning of 2017, to 62 years, is expected to partly be offset by the effects of the “long careers” scheme. In addition, it is assumed that the jobseekers’ training plan will be extended until the end of 2017. Nevertheless, the effect of the ramp-up of that scheme is thought to have culminated at the end of 2016, meaning that its downward impact on the labour force should have petered out early in 2017. Finally, the fall in unemployment should encourage some inactive people to enter the labour market, via the effect of economic downturns (see *Focus*), which is expected to increase the labour force slightly. Overall, in 2017, in spite of a rebound in Q2 after the dip at the beginning of the year, the increase in the labour force is expected to be smaller (+83,000) than that of net job creations (+234,000) and the number of unemployed is therefore forecast to see a moderate fall. At the end of 2017, the unemployment rate is expected to stand at 9.4% of the labour force in France, or 0.2 points lower than in Q1 2017 and 0.6 points lower than a year earlier. ■

Changes in the labour force, employment and unemployment in Metropolitan France

in thousands, SA, and in %

	Quarterly changes								Annual changes		
	2016				2017				2015	2016	2017
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Population of the 15-64 age bracket	-6	-6	-6	-6	0	0	0	0	-55	-24	-1
Population of the 15-59 age bracket	1	1	1	1	-3	-3	-3	-3	-43	3	-14
Labour force	76	-18	84	55	-37	73	24	24	38	196	83
including:											
(a) Contribution of the population and the trend activity rate	26	26	26	26	23	23	23	23	121	103	91
(b) Estimated effects of economic downturns	2	2	2	2	4	4	4	4	-4	8	15
(c) Estimated effects of public policies	1	-10	-18	-18	2	7	-2	-3	4	-45	3
(d) Other short-term fluctuations (residual)	47	-36	74	44	-66	40	0	0	-83	130	-26
Employment	61	59	63	69	77	71	46	40	114	252	234
Reminder: End-of-period employment (see “Employment” note)	64	54	72	65	90	52	41	40	131	255	222
ILO unemployment	15	-77	20	-14	-115	2	-22	-16	-76	-56	-151
	Quarterly average								Average in the last quarter of the period		
ILO unemployment rate (%)											
France (including the overseas departments)	10.2	10.0	10.0	10.0	9.6	9.6	9.5	9.4	10.2	10.0	9.4

Forecast

How to read it:

- the Employment line presents variations in the number of people in employment as a quarterly average, for consistency with the other data in the table,
- employment and unemployment are not estimated here within strictly equivalent scopes: total population for employment. population of households (excluding collective) for unemployment. As the impact of this difference is very minor (the population outside of households represents less than 1% of the active population), it is neglected here for the unemployment forecasting exercise,
- in (a), the contribution of demographics and of trend activity behaviour includes all the effects of pensions reforms up to and including that in 2010.

Source: INSEE