

Unemployment

In Q3 2017, the ILO unemployment rate rose 0.2 points, reaching 9.7% of the labour force after a sharp fall during H1 2017. Year-on-year, it has declined by 0.3 points.

Between mid-2017 and mid-2018, the rise in employment should be slightly greater than that of the labour force, resulting in a slight decrease in the unemployment rate. Over the forecasting period, it should stand at 9.4% in France, or 0.1 points less than a year earlier.

The unemployment rate increased by 0.2 points in Q3 2017, but remained lower than one year previously

After a sharp drop in H1 2017 (*Graph*), the unemployment rate rose 0.2 points in Q3 2017 to stand at 9.7% in France excluding Mayotte (*Table*). Year-on-year it dropped by 0.3 points. The number of unemployed increased by 62,000 in Q3 2017, but fell by 77,000 over the year. In Metropolitan France, the halo of unemployment¹ shed 59,000 people between Q2 and Q3 2017, and 62,000 since Q3 2016.

The youth unemployment rate again fell in Q3 2017

In Q3 2017, the rate of youth unemployment in France stood at 22.4% of the labour force aged under 25. It decreased by 0.8 points compared to the previous quarter, and 2.9 points compared to Q3 2016. Over the last year, young people have benefited in particular from the upswing in temporary employment (see *Employment sheet*). The unemployment rate for 25-49-year-olds rose 0.4 points between Q2 and Q3 2017, particularly among women (+0.7 points); they may have been more greatly affected than other categories by the drop in the number of beneficiaries of CUI-CAE (single integration and employment support contracts). Over one year, the unemployment rate for 25-49-year-olds increased by 0.3 points.

The unemployment rate for those aged 50 or over remained relatively stable, at 6.6% (+0.1 points for the quarter); it decreased by 0.6 points compared to Q3 2016.

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: France (excluding Mayotte), population of households, people aged 15 or over
Source: INSEE, Employment Survey

The unemployment rate has dropped more sharply for women year-on-year

Between Q2 and Q3 2017, the unemployment rate rose 0.2 points for both men and women. Over one year, it decreased by 0.6 points for women and only dropped very slightly for men (–0.1 points): women benefited more from job creations in the market tertiary sector (excluding temporary employment) than men.

The unemployment rate should again decrease through to mid-2018

In 2016, the labour force increased by 194,000 people, after +42,000 in 2015. On average over the two years, this increase is in line with the trend growth in the working-age population. In 2017, the spontaneous growth of the labour force (+91,000) would seem to be less significant than in 2016 (+103,000): the impact of the age of pension eligibility being raised to 62 years at the beginning of 2017 would appear to have been

further eroded by the specific scheme for long careers. Furthermore, the impact of the jobseekers' training plan, announced at the beginning of 2016, culminated at the end of 2016, and the after-effect would appear to have contributed to a slight increase in the labour force in 2017. Finally, the strong recovery in employment has led some inactive people to enter the labour market, through an economic downturn effect. All in all, in 2017 the increase in the labour force (+128,000) should be less significant than that of net job creations (+254,000) and the number of unemployed should decrease. The unemployment rate should settle at 9.5% at the end of 2017 against 10.0% a year earlier: after declining in H1 2017, it should stabilise in H2 due to the overall slowdown in employment caused by the decrease in subsidised contracts. In H1 2018, job creations (+68,000) should again outstrip the increase in the labour force (+41,000): the unemployment rate is set to fall to 9.4% at mid-year, or 0.1 points less than one year previously. ■

Changes in the labour force, employment and unemployment

in thousands, SA, and in %

	Quarterly changes										Annual changes			
	2016				2017				2018		2015	2016	2017	2018 S1
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2				
Population of the 15-64 age bracket	-6	-6	-6	-6	0	0	0	0	-2	-2	-55	-24	-1	-3
Population of the 15-59 age bracket	1	1	1	1	-3	-3	-3	-3	-2	-2	-43	3	-14	-5
Labour force	72	-4	66	60	-42	61	129	-20	21	21	42	194	128	41
including:														
(a) Contribution of the population and the trend activity rate	26	26	26	26	23	23	23	23	21	21	121	103	91	42
(b) Estimated effects of economic downturns	2	2	2	2	4	4	4	4	0	0	-4	8	15	0
(c) Estimated effects of public policies	-6	-14	-4	-8	10	10	2	-1	0	0	2	-31	22	-1
(d) Other short-term fluctuations (residual)	50	-18	42	40	-79	24	100	-46	0	0	-78	114	0	0
Employment	55	59	69	68	68	84	67	36	32	36	117	251	254	68
Reminder: End-of-period employment (see "Employment" sheet)	59	59	79	56	79	89	45	26	37	35	130	253	239	72
ILO unemployment	17	-63	-3	-7	-109	-23	62	-56	-11	-15	-76	-56	-126	-26
	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	9.5	9.7	9.5	9.5	9.4	10.2	10.0	9.5	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.

Scope: France (excluding Mayotte for employment, unemployment and estimated effects of public policies)

Source: INSEE