

Unemployment

In Q1 2019, the ILO unemployment rate decreased slightly (-0.1 points), to 8.7% of the French labour force, after dropping by 0.3 points during the previous quarter. Year-on-year, it fell by 0.5 points, following a similar downward trend to that observed since mid-2015.

Over the forecasting period to late 2019, employment is expected to continue to grow more quickly than the labour force, and the gradual decline in unemployment should be maintained. Consequently, the unemployment rate is likely to stand at 8.3% at the end of the year, 0.5 points below its late 2018 level, thereby reaching its lowest level since early 2008.

The unemployment rate fell slightly in Q1 2019

In Q1 2019, the number of unemployed fell by 21,000 (Table), taking the unemployment rate (Graph) down to 8.7% in France (excluding Mayotte), which corresponds to a drop of 0.1 points over the quarter, after -0.3 points in Q4 2018. Year-on-year, the unemployment rate fell by 0.5 points (-155,000 unemployed), at a similar pace to its average decline since the start of 2015 (at an annual rate of -0.4 points). It reached its lowest level since the start of 2009 but remains 1.5 points above its pre-crisis low point recorded in early 2008.

In Metropolitan France, the unemployment rate reached 8.4%; it also fell by 0.1 points compared with the end of 2018 and by 0.5 points year-on-year. At the same time, the halo of unemployment¹ fell sharply, both over the quarter (-80,000) and year-on-year (-89,000).

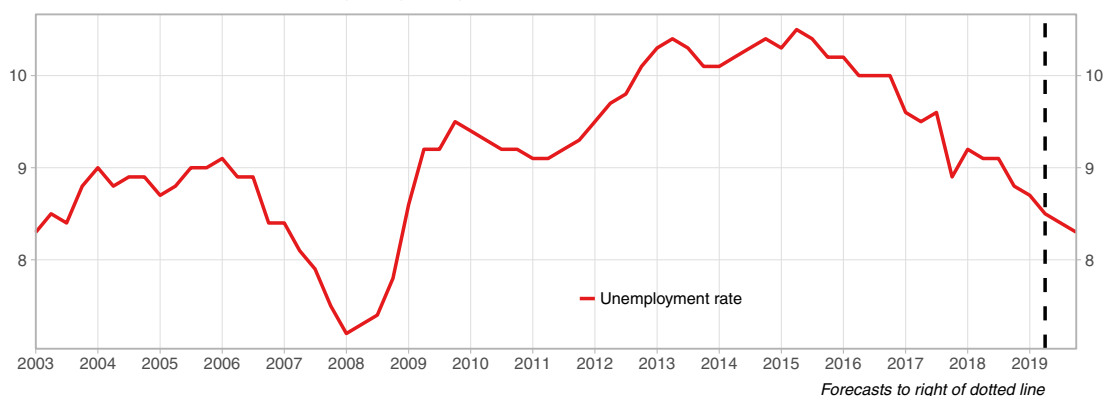
The unemployment rate should continue to fall gradually over the forecasting period

In 2018, total employment slowed down: measured at mid-quarter, it increased by 195,000 jobs after 310,000 during the previous year. Consequently, the unemployment rate fell less sharply in 2018 than in 2017: -0.1 points after -1.1 points year-on-year; -0.3 points after -0.7 points on average over the year.

In Q1 2019, employment grew strongly (+86,000); it is likely to slow down somewhat through to the end of 2019 (with around 60,000 net job creations per quarter). In addition, the labour force trend is becoming less dynamic every year (see the "Contribution of the population and of the trend labour force participation rate" line in the table below). Lastly, the ramping up of the Skills Investment Plan (Plan d'investissement dans les compétences)

1. The halo of unemployment is composed of people who are inactive according to the ILO definition, but who are in a situation relatively close to unemployment. It covers people who are seeking employment but are unavailable, and people who want to work but are not actively seeking a job, regardless of their availability.

Unemployment rate (ILO definition)
quarterly averages as a % of the labour force, CVS data



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

is expected to result in only a limited rise in the number of beneficiaries of training and should have only a marginal impact on the slowdown in the labour force (see “Estimated effects of public policies” line). As a consequence, the expected increase in employment in 2019 (+254,000) is

likely to exceed the increase in the labour force (+115,000). All in all, the unemployment rate is set to decline by 0.2 points in Q2, and then by 0.1 point per quarter through to the end of 2019, when it should stand at 8.3% of the labour force – its lowest level since the end of 2008. ■

Change in the labour force, employment and unemployment

in thousands, SA and in %

	Quarterly changes								Annual changes		
	2018				2019				2017	2018	2019
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Population of the 15-64 age bracket	-10	-10	-10	-10	-7	-7	-7	-7	-13	-41	-29
Population of the 15-59 age bracket	-11	-11	-11	-11	-12	-12	-12	-12	-26	-44	-49
Labour force (1)=(2)+(3)	168	-15	48	-45	65	18	17	16	9	156	115
including:											
(a) Contribution of the population and the trend activity rate	21	21	21	21	18	18	18	18	91	83	70
(b) Estimated effects of economic downturns	3	3	3	3	2	2	2	2	21	11	7
(c) Estimated effects of public policies	4	-1	-1	-5	1	-2	-3	-3	24	-2	-6
(d) Other short-term fluctuations (residual)	140	-38	25	-64	45	0	0	0	-127	64	45
Employment (2)	73	35	31	56	86	73	48	48	310	195	254
Reminder: End-of-period employment (see “Employment” sheet)	46	23	39	74	98	47	49	48	343	182	241
ILO unemployment (3)	95	-50	17	-101	-21	-55	-31	-32	-301	-39	-139
	Quarterly average								Average in the last quarter of the period		
ILO unemployment rate (%)	9.2	9.1	9.1	8.8	8.7	8.5	8.4	8.3	8.9	8.8	8.3

■ 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 2014.

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

Source: INSEE