

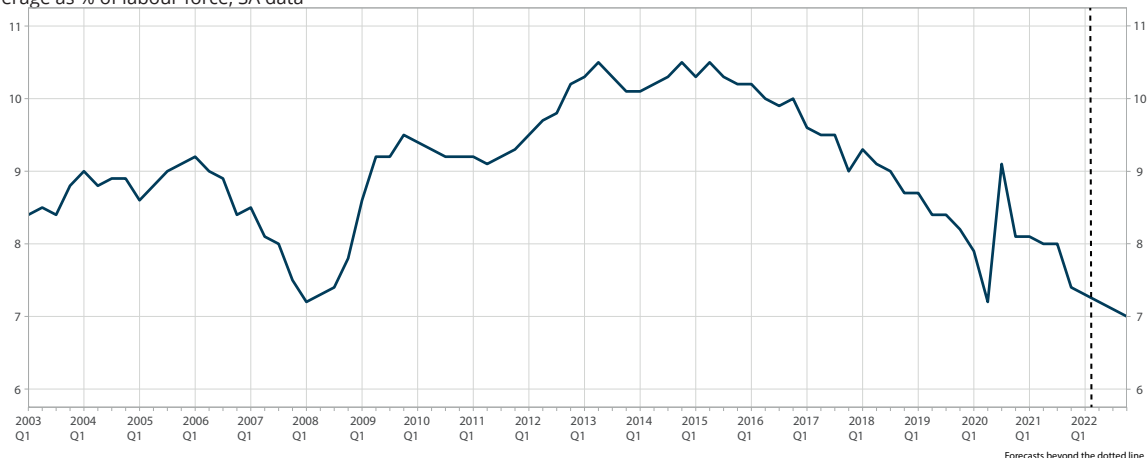
# Unemployment

In Q1 2022, the unemployment rate according to the ILO definition remained almost unchanged compared to the previous quarter: -0.1 points, to 7.3% of the active population (► **Figure 1**). After a drop of 0.6 points in the previous quarter, this near-stability was the result of accompanying increases in the labour force (+122,000 as a quarterly average, after +21,000 in Q4 2021) and employment (+140,000, after +206,000). Thus both the labour force participation rate (73.4%) and the employment rate (68.0%) of 15-64 year-olds rebounded, by 0.2 points in Q1 2022, reaching or returning to their highest level since INSEE has been measuring them (1975).

In Q2 2022, the labour force is expected to slow significantly (+32,000), as any increase is driven mainly by sandwich contracts. It is likely to increase at a similar pace to that in Q3 and Q4 2022 (+37,000 then +35,000). Given the increase forecast for employment (as a quarterly average, +73,000 in Q2 2022, then +55,000 and +57,000), the number of unemployed according to the ILO definition looks set to decline a little in Q2 2022 (-41,000), then even less in Q3 and Q4 (-18,000 then -22,000). The unemployment rate is therefore expected to drop gradually to 7.0% of the labour force by the end of 2022 (► **Figure 2**). ●

## ► 1. Unemployment rate (ILO definition)

quarterly average as % of labour force, SA data



Scope: France (excluding Mayotte), persons aged 15 or over living in ordinary housing

Source: INSEE, Labour Force Survey

# French economic outlook

## 2. Change in employment, unemployment and the active population

variation in quarterly average in thousands, SA data

	2020				2021				2022				Cumulative change from Q1 2020 to Q4 2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
<b>Employment (1)</b>	-14	-711	386	198	123	276	284	206	140	73	55	57	1 073
<i>reminder: employment at the end of the period</i>	-512	-127	461	2	211	342	226	187	94	52	59	56	1 051
<b>Unemployment (2)</b>	-98	-285	632	-300	35	-46	37	-185	-18	-41	-18	-22	-309
<b>Active population = (1) + (2)</b>	-111	-995	1018	-102	158	230	320	21	122	32	37	35	765
<i>Trend labour force (a)</i>	7	7	7	7	7	7	5	4	5	2	2	2	62
<i>Effect of work-linked training on youth activity (b)</i>	-1	-71	39	20	12	28	28	21	14	7	6	6	109
<i>Pre-crisis» cyclical bending effect (c)</i>	3	-1	10	22	28	29	41	37	22	23	30	27	271
<i>Residue (d)</i>	-120	-930	963	-151	111	166	246	-40	82	0	0	0	327
<b>Variation in unemployment rate</b>	-0.3	-0.7	1.9	-1.0	0.0	-0.1	0.0	-0.6	-0.1	-0.1	-0.1	-0.1	-1.2
Unemployment rate	7.9	7.2	9.1	8.1	8.1	8.0	8.0	7.4	7.3	7.2	7.1	7.0	

### ■ Forecast

How to read it: between Q4 2021 and Q1 2022, employment increased by 140,000 on average, unemployment decreased by 18,000 and the active population decreased by 122,000. The unemployment rate fell by 0.1 points, reaching 7.3%.

Note: Employment corresponds here to total employment (payroll employment including sandwich contracts + self-employment), measured as a quarterly average

(a) Trend based on adjusted active population projections.

(b) Effect based on sandwich contract numbers from DARES, calculations by INSEE.

(c) This flexibility effect represents the fact that new workers enter the labour market when the employment situation improves. It was estimated over the pre-crisis period.

(d) In 2020 and 2021, the remainder covers the specific effect of the health crisis on activity behaviour, i.e. mainly the massive withdrawal of activity during the 1<sup>st</sup> lockdown in spring 2020.

Scope: France (excluding Mayotte), persons aged 15 or over

Source: INSEE, Labour Force Survey, Quarterly employment estimates