

Insee en bref

To understand...

The measurement of unemployment

- How does INSEE define unemployment?
- How many unemployed are there in France?
- How does INSEE measure unemployment?
- What is the halo of unemployment and under-employment?
- Comparisons at local and European level



• How does INSEE define unemployment?

INSEE measures unemployment according to the definition of the International Labour Organisation

INSEE has adopted the definitions of unemployment and employment given by the **International Labour Organisation** (ILO). These definitions are applied by the statistical institutes of most countries in the world and in particular those of the European Union.

The measurement of unemployment does indeed raise questions that are more complex than they might at first seem. Is an unemployed person someone who spontaneously says they are unemployed? A person registered with the employment agency? A person who is actually looking for work?

To have a measurement that is **stable over time** and **harmonised between different countries**, the ILO proposes a method as well as a definition: starting from what people say about their effective search for work and their availability to work, whilst referring to a precise time period.

According to the ILO, a person is considered as **unemployed** if he/she simultaneously meets the following criteria:

- is **aged 15 years or over**
- is **without work** during a precise week, known as the “reference week”
- has **actively taken steps to seek work** over the last four weeks (answering a small ad, registering with a temporary work agency, etc.) or has found a job that begins in less than 3 months
- is **available** for work in the next two weeks

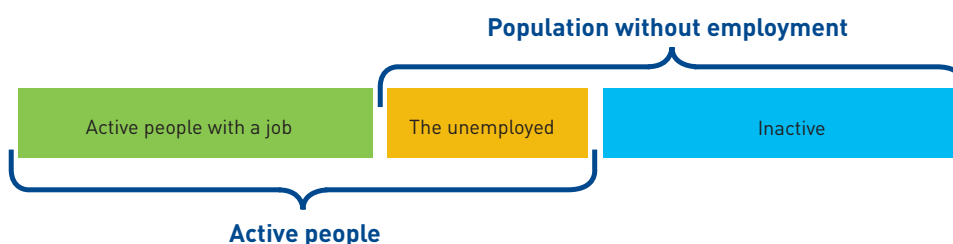
A person is considered as **employed** if he/she has done at least one hour's paid work during the reference week or if he/she has kept a formal link with his/her work (annual leave, sick leave, maternity leave, etc.). This is a broad definition of employment: it includes people who are occupied very partially or on very short contracts.

A person is **active** if he/she is in work or unemployed.

The **unemployment rate** is the ratio between the number of unemployed people and the number of active people. It is calculated on average over the quarter (quarterly unemployment rate) or over the year (annual unemployment rate).

$$\text{Unemployment rate} = \frac{\text{Number of unemployed}}{\text{Number of active people (in work or unemployed)}}$$

A person is **without employment** if he/she is unemployed or inactive (student, pensioner, etc.).



I am a student and I am answering small ads to find a job. Am I considered as unemployed according to the ILO definition?

If you are available for work in the next two weeks, you are considered as unemployed in spite of your status as a student.

I have a casual job one hour a week, but I am looking for a full-time job. Am I considered as unemployed according to the ILO definition?

No, to be counted as unemployed, you must not have any paid work.

I am on an unpaid internship; my internship finishes in one week and I am looking for a job. Am I considered as unemployed according to the ILO definition?

Yes, because:

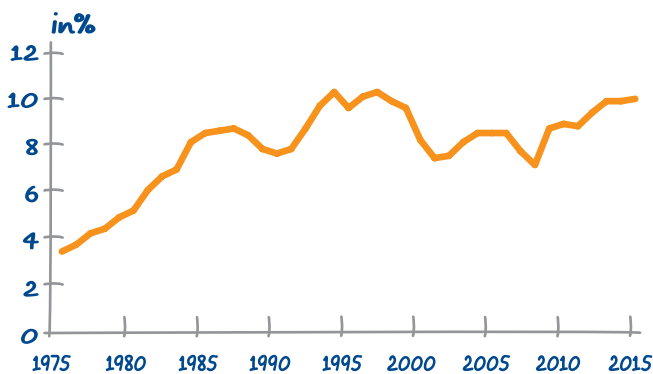
- your unpaid internship is not considered as work;
- you are available in the next two weeks;
- you are actively looking for work.

• How many unemployed are there in France?

2.8 million: the number of people unemployed in Q4 2015 in Metropolitan France

(3.0 million for the whole of France excluding Mayotte)

Unemployment rate in Metropolitan France



Scope: Metropolitan France, population of households, people aged 15 and over.
Source: INSEE, Labour Force Surveys.

The number of unemployed is **calculated by INSEE every quarter, based on the Labour Force Survey**, the main objective of which is to measure unemployment according to the ILO definition.

INSEE has been producing the unemployment rate and main labour market indicators according to the ILO definition since 1975. Certain indicators, however, have only been available over a more recent period: since 1982, or even 2003, since when the survey has been conducted continuously over the whole year.

The unemployed according to the ILO definition and jobseekers registered at Pôle Emploi are two separate concepts

Another measurement of unemployment is produced every month by the Labour Ministry and Pôle Emploi (the French employment agency). This is the number of jobseekers registered with Pôle Emploi at the end of the month ('DEFM'). Jobseekers registered with Pôle Emploi are divided into 5 categories, A to E. Category A corresponds to jobseekers who are required to take positive steps to seek work and who have been without employment during the month.

The criteria defining the unemployed according to the ILO definition and jobseekers in category A seem *a priori* to be similar. However, the two populations are not totally identical. Approximately one ILO unemployed person in six states that he/she is not registered with Pôle Emploi (for example, young people who do not register as they cannot claim any benefit). Conversely, certain jobseekers in category A are not classified as ILO unemployed. This is the case for example of people who have not taken any other steps than simply renewing their registration with Pôle Emploi.

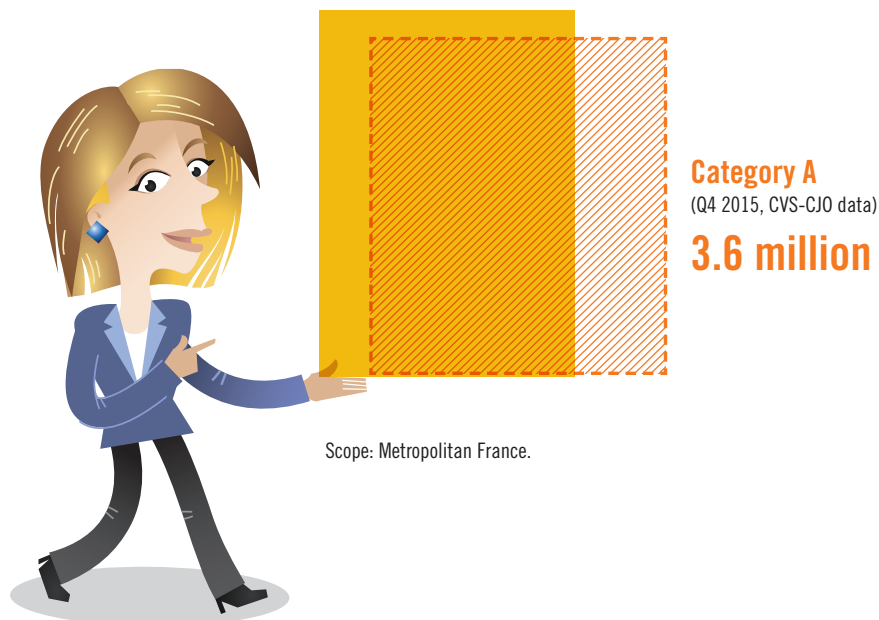
Furthermore, whereas the **measurement of ILO unemployment** rests on the **factual declarations** of people questioned in the Labour Force Survey, **registration on the lists of Pôle Emploi** is an **administrative step**. This registration may be affected by changes in the rules on the monitoring, support or payment of benefits to jobseekers. The declarations that people make in the Labour Force Survey are less subject to such changes in the administrative or management rules.

The number of jobseekers in category A is higher overall than that of the ILO unemployed, as the criteria of actively seeking work and being available for work are not measured in the same way in the two concepts.

Unemployed according to the ILO definition

(Q4 2015, CVS data)

2.8 million



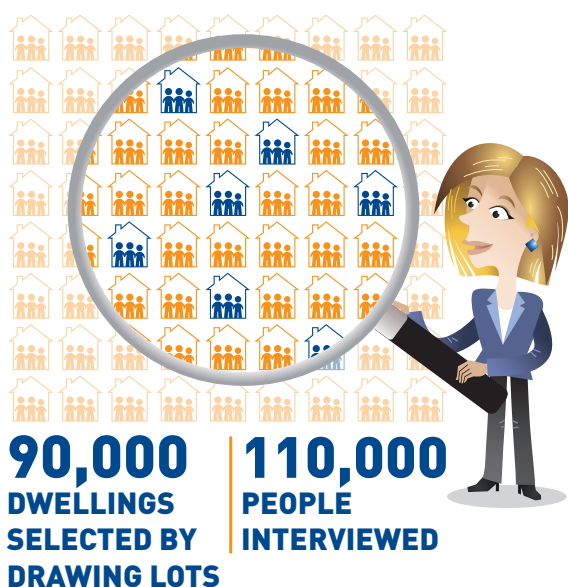
To find out more:

- [*Measurement of ILO unemployment and labour market indicators - Informations rapides*](#)

• How does INSEE measure unemployment?

The measurement of ILO unemployment cannot be carried out using administrative sources. It is necessarily based on a survey of people. In France, this is the **Labour Force Survey**.

INSEE measures ILO unemployment based on the *Labour Force Survey*



INSEE conducts this survey:

- with a representative sample of **90,000 dwellings each quarter** (in France excluding Mayotte, including 8,000 dwellings in the Overseas Departments (DOM));
- by carrying out face-to-face or telephone **interviews** with the occupants of the dwelling aged **15 years and over**, which represents **110,000 people interviewed** including 12,000 in the DOM.

The answers are confidential and used only for statistical purposes.



The Labour Force Survey is the French version of the labour force survey harmonised by Eurostat, the Statistical Office of the European Union.

To measure their **situation on the labour market**, people describe their situation in detail thanks to about twenty questions that serve to determine whether they are employed, unemployed or inactive according to the ILO definition. All these questions relate to a very specific week, the “reference week”. Since 2003, the survey has been conducted continuously: every week is covered, making it possible to obtain an average measurement over the quarter or the year.

Approximately every ten years, INSEE overhauls the Labour Force Survey questionnaire in order to take account of changes in the labour market. The last update was in 2013.

The Labour Force Survey also describes the characteristics of the jobs held (profession, employment contract, working time, etc.), the training taken, jobseeking, the length of time unemployed, etc.

To find out more:

- [*Continuous Labor Force Survey*](#)

**I am unemployed and I live in Reunion Island.
Am I included in the INSEE's quarterly unemployment statistics ?**

Yes, INSEE publishes an [unemployment rate for Metropolitan France](#) and an unemployment rate for France (excluding Mayotte).

Until 2013, in the DOM (excluding Mayotte), the Labour Force Survey was conducted once a year in the second quarter. Since 2014, it has been conducted continuously as it is in Metropolitan France.

Almost 10,000 people are interviewed each quarter in each of the DOM.

In Mayotte, the survey is conducted annually: the data has been collected during the second quarter each year since 2013.

Each quarter, almost 90,000 dwellings are selected by drawing lots to conduct the Labour Force Survey, but are all the people in the dwelling concerned?

Yes, all the people over 15 years or over are concerned, as long as the dwelling surveyed is their main residence. If all the people are present, they are all interviewed individually. If not, the people present answer for the others.

In total, approximately 110,000 people are interviewed every quarter (in Metropolitan France and in the DOM).

Are the unemployment figures available at detailed geographical level, for example for municipalities?

The data published by INSEE at detailed geographical level cannot be acquired from the Labour Force Survey, as the latter does not concern all the population, but a sample of people drawn by lots. This sample is representative at national level, but not at detailed geographical level.

On the other hand, INSEE publishes unemployment rates for municipalities for example, based on population censuses. This is a concept of unemployment that does not meet the ILO criteria, as it corresponds to the spontaneous declaration of individuals.

The data on jobseekers can also be broken down into detailed geographical levels.

• What is the halo of unemployment and under-employment?

The criteria for ILO unemployment define boundaries that are too stark between employment, unemployment and inactivity. This is why complementary indicators are necessary to determine the diversity of situations. These are also subjected to international harmonisation: the halo of unemployment (at the boundary between unemployment and inactivity) and under-employment (at the boundary between employment and unemployment).

The halo of unemployment

The **halo of unemployment** consists of jobless people who are not considered as unemployed according to the ILO definition, but whose situation is close to it. These people state that they wish to work or seek employment, but they:

- are not available to take a job in the next fifteen days (for example they are on a training course, have health problems or have to look after their children);
- and/or who have not taken any active steps to seek work during the last four weeks.



Under-employment

Under-employment includes people who have a job, but are involuntarily working less than they want to:

- these are mainly people in “involuntary part-time work”: they have a part-time job, but want to work more and are available to do so, whether or not they are seeking a job;
- INSEE also counts in under-employment people with full-time jobs who involuntarily work less than usual (due to layoffs, bad weather, seasonal reduction in activity, etc.).

INSEE publishes the number of people in the halo of unemployment and under-employed every quarter.



In 2015, 1.4 million people were in the halo of unemployment and 1.7 million people were under-employed.

**I am a stay-at-home father: I am therefore inactive.
Am I counted in the halo of unemployment?**

It depends. Yes, if you want to work, but you have not yet taken any active steps to seek work or if you have taken steps, but you are not immediately available for work.

**I am a student and I would like to work a few hours a week, but I have not yet taken any steps to look for work.
Am I counted in the halo of unemployment?**

Yes, you are counted in the halo of unemployment because you want to work, you are available for work, but you have not yet taken any steps to find work.

**I am a cashier in a supermarket. I work 20 hours a week,
but I would like to work 35 hours.
Am I considered as under-employed?**

Yes, in your case you are under-employed. More precisely, you are in the category of people in "involuntary part-time work".

To find out more:

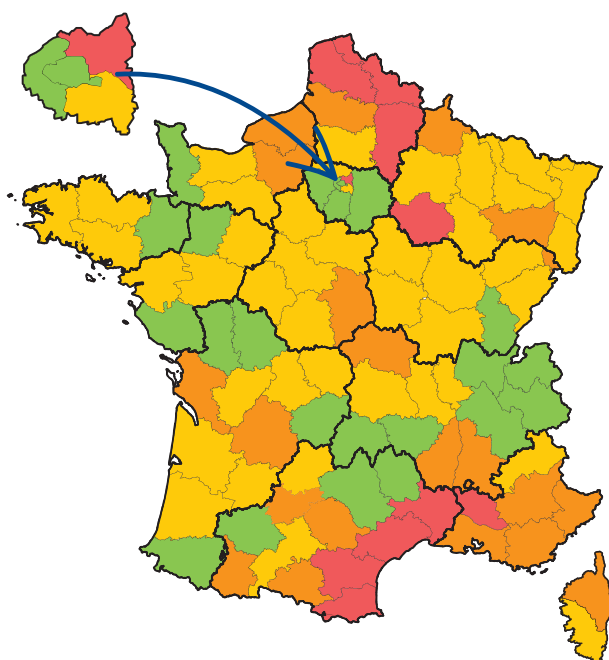
- [*A snapshot of the job market in 2014 - Insee Première*](#)
- [*Employment, unemployment, active population: review of the year 2014 - Dares Analyses*](#)

• Comparisons at local and European level

At local level

INSEE publishes **unemployment rates by region, department and employment zone**. In line with the ILO unemployment rate, they are published as quarterly averages and annual averages. They therefore serve to make comparisons between regions, departments or employment zones.

Unemployment rate by department in Q4 2015



These **localised unemployment rates** cannot be obtained only from the Labour Force Survey, which is not representative at detailed geographical levels. They are obtained by combining the results of the Labour Force Survey at national level and the number of category A unemployed registered with Pôle Emploi, taking advantage of the exhaustive nature of that statistic.

Source: Insee, localised unemployment rates, provisional CVS data.

At European level

Based on labour force surveys conducted by all the Member States, every month **Eurostat**, the Statistical Office of the European Union, publishes the “harmonised” unemployment rates based on the ILO definition. Between two quarters, for the calculation of the French monthly unemployment rate, Eurostat makes an estimation based on the change in the number of category A unemployed registered with Pôle Emploi. Eurostat also publishes quarterly and annual results.

Each country can therefore compare itself to its neighbours as well as to the European Union or Eurozone average.



The European unemployment rate in 2015

- 15% or over
- From 11% to less than 15%
- From 7% to less than 11%
- From 6% to less than 7%
- to less than 6%

Note: annual average data.

Scope: people aged 15 to 74 years.

Source: Eurostat, labour force surveys (extraction of 29/04/2016).

In 2015,
the average
unemployment rate
in the European
Union was 9.4%.



To find out more:




- [Main features of the EU-LFS and scope of data-Eurostat](#)
- [Statistical publication related to the EU-LFS-Eurostat](#)

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