ILO unemployment and labour market-related indicators
(results of the Labour Force Survey)

Sources used

The continuous Labour Force Survey is the only source allowing to measure the concepts of activity, unemployment, employment or inactivity as defined by the International Labour Office (ILO). In the survey, individuals describe their labour market situation in a given week, known as the "reference" week, through a number of factual questions.

The scope of the survey is made up of persons aged 15 or over residing in France excluding Mayotte[1] in ordinary housing (excluding communities: homes, hospitals, prisons, etc.).

The survey sample is large: approximately 100,000 people answer the survey every quarter. In order to measure quarter-to-quarter changes more accurately, households are surveyed 6 quarters in a row. The sample is therefore renewed by one sixth each quarter. The first and last interviews are carried out face-to-face; intermediate interviews are carried out by telephone.
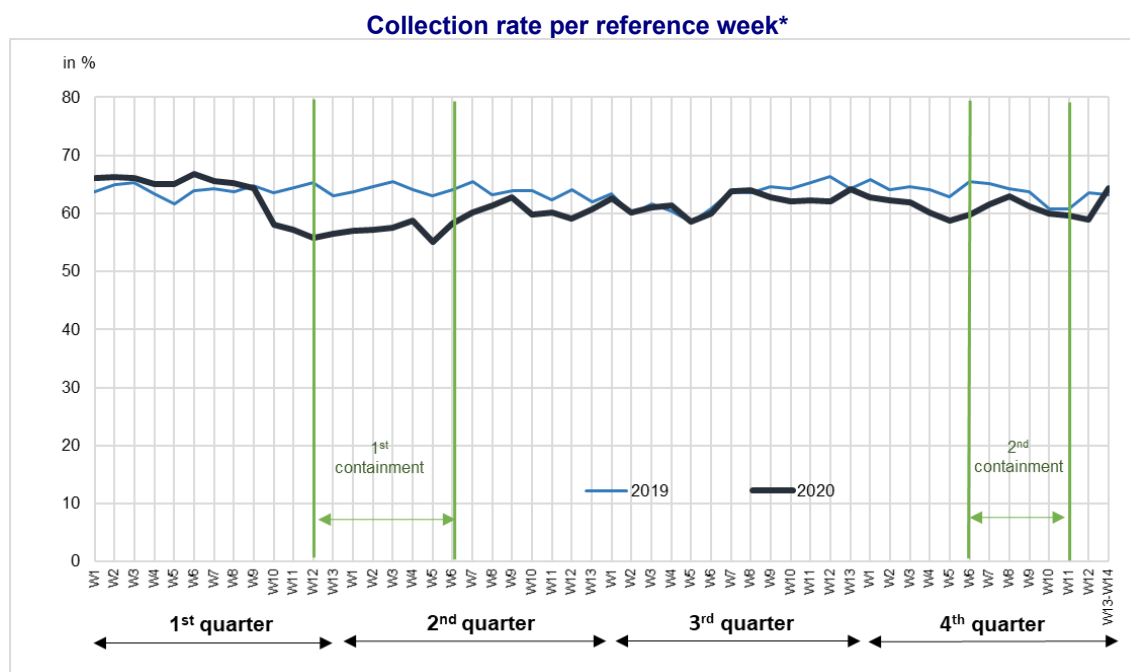
Every ten years or so INSEE overhauls the Labour Force Survey questionnaire to take account of labour market developments. On that occasion, the long series published with the *Informations Rapides* are backcasted to make them consistent with this new questionnaire. The latest update was done in 2013.

The Labour Force survey was still affected by the health crisis in Q4 2020, particularly as a result of the second containment.

As in the first three quarters of 2020, the Labour Force survey in Q4 2020 has been affected by the health crisis in two ways:

- The outbreak of the health crisis, starting in mid-March, strongly affected the situation of people on the labour market. A dedicated note (in French) discussing on the effects of the health crisis on the labour market is associated with this publication. It presents, on an exceptional basis, weekly and monthly indicators, making it possible to understand the dynamics at work in the labour market since the outbreak of the health crisis.

- The second containment has again constrained collection, resulting in a drop in the collection rate. From October 30 to November 10, tracking operations were completely suspended and face-to-face interviews for the first and last interviews had to be switched to telephone mode, as soon as the respondents' contact information could be found. After November 10, tracking operations resumed (on a volonteer basis as of 10 November, then hen on a widespread basis as of 15 December), but interviews continued to be carried out by telephone until the end of the quarter. In the end, the collection rate stood at 61.1% in Q4 2020 (-2.6 percentage points over a year).
  However, the usual statistical adjustment methods make it possible to obtain data that remain representative of the entire population over the whole period.

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[1] Since 2014, the four overseas departements (Guadeloupe, Guyane, Martinique, La Réunion) where a yearly survey used to take place, have been covered by the continuous Labour Force Survey. In Mayotte, a yearly survey has been conduted since 2013.

Collection rate per reference week*

*collection rate relates the number of successful surveys to the total number of dwellings in the sample.

Available series

From the 3rd quarter of 2019, all quarterly indicators from the Labour Force Survey survey are released on the "France excluding Mayotte" scope. Previously, only unemployment was reported in this scope and the rest of the indicators were restricted to the "Metropolitan France" scope. Since 2014, the Labour Force Survey survey has covered the four historical overseas departments (Guadeloupe, French Guiana, Martinique and Réunion), allowing direct observation of quarterly data on the new "France excluding Mayotte" scope. For the years 2014 to 2018, the hindsight is considered sufficient for first estimates of seasonal adjustment coefficients. In addition, for the years 2003 to 2013, all series were backcasted. Annual average series were first constructed based on the results of the annual DOM surveys that existed until 2013. In a second step, these series were converted at a quarterly frequency by extending the average seasonality of the DOM series observed over the period 2014-2018. A note detailing this work is available in the "documentation" section of this publication.

All the series are adjusted for seasonal variations using the X13-ARIMA method in the JDemetra+ software package. The seasonal adjustment is applied to the entire period, from the first quarter of 2003 to the current quarter.

Publication and revision of series

The quarterly results of the Labour Force Survey for a given quarter are published **in the middle of the second month following the end of that quarter**. The seasonal adjustment coefficients are recalculated every quarter, which may result in a slight revision to the whole of each series. Seasonal adjustment models are recalculated once a year, at the time Q1 results are released. For the publications related to other quarters, the coefficients are recalculated under unchanged models.

Lastly, regular revisions of demographic data from the final resets of the census, known with a four-year lag. This results in slight changes being made annually (for Q1 release) to numbers and rates estimated using the Labour Force Surveys four years before the reference year.

Exceptionally, the Labour Force survey can be renovated, with changes in the questionnaire, collection protocol, or weighting methods. These, can result in a revision of the levels of the published series. This will be the case in June 2021 for the Q1 2021 publication (see below).

◼ Understanding the results in *Informations Rapides*

ILO UNEMPLOYMENT AND UNEMPLOYMENT RATE

An **unemployed person as defined by the International Labour Organization (ILO)** is a person aged 15 or over who meets the following three criteria:

1) is **not employed as defined by the ILO**, in the course of the reference week,

2) can be available for work within two weeks,

3) has actively looked for a job in the previous month, or has found one starting within the next 3 months.

The **share of the unemployed** is the ratio of the number of unemployed to the number of people in a considered population; this is different from the **unemployment rate**, which is the ratio of the number of unemployed to the active population (in employment or unemployed).

A **long-term unemployed person** is a person who is seeking a job for a year or more. The **long-term unemployment rate** is the ratio of the number of long-term unemployed to the active population.

ILO EMPLOYMENT

An **employed** person as defined by the ILO is a person aged 15 or over who worked at least one hour for pay or profit during the reference week or was temporarily absent from such work (because of annual leave, sick leave, maternity leave, etc.). In particular, people who have a job but did not work during the reference week because they are on leave or partial unemployment are considered as employed.

The **employment rate** is the ratio of the number of people who have a job to the total population.

The **permanent employment rate (resp. fixed-term or temporary)** is the ratio of the number of people employed on a permanent contract (resp. fixed-term contract or temporary contract) to the total population.

The **full-time equivalent employment rate** is the ratio of the number of people employed, converted into full-time equivalent for their principal employment, to the total population.

The **core (or standardised) employment rate** eliminates the uneven demographic weights of age brackets covered in the employment rate. It is the arithmetic mean of employment rates by age examined.

ILO ACTIVITY

An active person as defined by the ILO is a person who is either employed or unemployed regarding ILO's definition.

The **activity rate** is the ratio of the number of people in the labour force (in employment or unemployed) to the total population.

Active life expectancy is the average duration of activity, in years, of a fictitious generation subjected to the conditions of activity of the period. Like the core employment rate, it is independent of demographic structure.

HALO OF UNEMPLOYMENT

The **halo of unemployment** consists of people who are inactive as defined by the ILO, but who are close to the labour market: these are people who are seeking a job but are **not available for work within two weeks**, people who want to work but who **have not been actively seeking work** in the previous month, whether they are available or not.

The halo is divided into three components:

– people seeking a job, but who are not immediately available: component 1;
– people wanting to work, and who are available, but not actively seeking work: component 2.
– people wanting to work, but who are not available and not actively seeking work: component 3.

The first two of these components correspond to the Eurostat definition of the halo. The third, which is more removed from the labour market, refers to the definition recommended in 2008 in the context of « Employment, unemployment, and precariousness. Better measurement for better discussion and better action[2] » a report by the National Council for Statistical Information (CNIS).

ILO UNDEREMPLOYMENT

Underemployment covers people who are working part-time, who would like to work more and who are available for work, whether they are looking for work or not. Underemployment also includes people who have unintentionally worked less than usual, due to technical or partial unemployment, for example.

The definition of underemployment used by Eurostat does not include technical or partial unemployment and is therefore slightly more restrictive than the definition adopted by INSEE.

Gradual renewal of the sample from Q3 2019

The housing sample used for the metropolitan area until early 2019 to conduct the Labour Force Survey had a lifespan of 9 years. It reached exhaustion in Q2 2019. As of Q3 2019, the incoming clusters (1/6th of the sample each quarter) are therefore drawn from a new sample. In the end, the sample from metropolitan France will be completely renewed in Q4 2020 (in the French overseas departments, the sample is drawn each year). The old and new samples have common characteristics (housing sample, areal and rotating sample in particular), but the new sample was an opportunity to make some improvements in the sampling frame and drawing method. The renewal of the sample is not supposed to affect the results of the Labour Force Survey.

Accuracy of the main indicators

The continuous Labour Force Survey is conducted on a sample of households, designed to be as accurate as possible at a given cost. Results from sample surveys are estimates, subject to some uncertainty which can affect interpretations, especially for short-term comparisons.

Taking into account sampling variability, the quaterly unemployment rate can be estimated with a so-called « 95% confidence interval » of plus or minus 0.3 percentage points : when the unemployment rate is estimated at 10.0%, one can be 95% confident that its real value, which would have been measured if the survey was conducted to the entire French population, is between 9.7% and 10.3%.

Quarterly changes' accuracy of the unemployment rate is also impacted by the survey methodology. To prevent uncertainty from adding up, a rotating sampling scheme was adopted, which creates correlation between two consecutive quarterly samples. Thus, quarterly changes of the unemployment rate are also estimated with a 95% confidence interval of plus or minus 0.3 percentage points.

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[2] . De Foucauld J-B., Cézard M. and Reynaud M. (2008), « Emploi, chômage, précarité. Mieux mesurer pour mieux débattre et mieux agir » (*Employment, unemployment, and precariousness. Better measurement for better discussion and better action*), CNIS, *Report* no.108, September. www.cnis.fr/files/content/sites/Cnis/files/Fichiers/publications/rapports/2008/ RAP_2008_108_emploi_chomage_precarite.PDF

Main indicators accuracy in Q4 2020 (non seasonally adjusted)

	Non seasonally-adjusted level (thousands)			Non seasonally-adjusted rate (in%)		
		Accuracy	95 % confidence interval		Accuracy	95 % confidence interval
Unemployment	**2 313**	**99**	**[2 214 - 2 412]**	**8,0**	**0,3**	**[7,7 - 8,3]**
Men	1 197	67	[1 130 - 1 264]	8,1	0,4	[7,7 - 8,5]
Women	1 116	62	[1 054 - 1 178]	7,9	0,4	[7,5 - 8,3]
15-24 years	522	43	[479 - 565]	19,3	1,5	[17,8 - 20,8]
25-49 years	1 283	75	[1 208 - 1 358]	7,4	0,4	[7,0 - 7,8]
50 years or more	508	40	[468 - 548]	5,7	0,4	[5,3 - 6,1]
Emploi	**26 109**	**154**	**[25 955 - 26 263]**	**66,1**	**0,4**	**[65,7 - 66,5]**
Men	13 364	99	[13 265 - 13 463]	69,0	0,5	[68,5 - 69,5]
Women	12 745	113	[12 632 - 12 858]	63,3	0,6	[62,7 - 63,9]
15-24 years	2 188	71	[2 117 - 2 259]	29,1	0,9	[28,2 - 30,0]
25-49 years	15 999	112	[15 887 - 16 111]	81,5	0,6	[80,9 - 82,1]
50-64 years	7 922	86	[7 836 - 8 008]	64,0	0,7	[63,3 - 64,7]
Activité	**28 410**	**140**	**[28 270 - 28 550]**	**71,9**	**0,4**	**[71,5 - 72,3]**
Men	14 556	77	[14 479 - 14 633]	75,1	0,5	[74,6 - 75,6]
Women	13 854	89	[13 765 - 13 943]	68,8	0,5	[68,3 - 69,3]
15-24 years	2 710	82	[2 628 - 2 792]	36,0	1,0	[35,0 - 37,0]
25-49 years	17 282	92	[17 190 - 17 374]	88,0	0,5	[87,5 - 88,5]
50-64 years	8 418	106	[8 312 - 8 524]	68,0	0,7	[67,3 - 68,7]
Halo autour du chômage	**1 556**	**79**	**[1 477 - 1 635]**			
Men	705	52	[653 - 757]			
Women	851	54	[797 - 905]			
15-24 years	308	39	[269 - 347]			
25-49 years	812	54	[758 - 866]			
50 years or more	435	37	[398 - 472]			

Scope: population of people living in households in metropolitan France, people aged 15 years or over (unemployment, halo of unemployment) or 15-64 years (employment, activity)

Source: INSEE, Labour Force Survey

Labour Force survey redesign starting Q1 2021

The Labour Force survey is evolving in order to comply with the new European regulation on social statistics (Integrated European Social Statistics) and to modernize its protocol. Its questionnaire will be renewed from Q1 2021 both to ensure better European harmonization and to better meet its users needs and the new challenges of the labour market (see questionnaire in french). In addition, its protocol will be modernized: after an initial face-to-face interview, respondents will be offered the possibility of answering on the Internet for further interviews

These changes, as well as a revision of the weighting method, will likely cause a change in indicators levels from the survey starting with Q1 2021 publication. In order to prepare for this as well as possible, throughout 2020 and in Q1 2021, a vast methodological operation is carried out. It will make it possible to estimate the breaks in series introduced by the introduction of the new survey. Economic indicators for the Q1 2021 release will be published on June 24, 2021 with the levels of this new survey. They will be accompanied with retropolated series "without breaks", in order to continue to shed light on labour market conditions over a long period of time.

Detailed documentation

- Continuous employment survey since 2003: description and methodology
  https://www.insee.fr/en/metadonnees/source/s1061
- Educational content on ILO unemployment (in French only) :
  https://www.insee.fr/fr/information/2022025