

## 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<sup>1</sup> in private household (excluding communities: nursing 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 interview is carried out face-to-face; subsequent interviews are carried out by the internet or telephone.

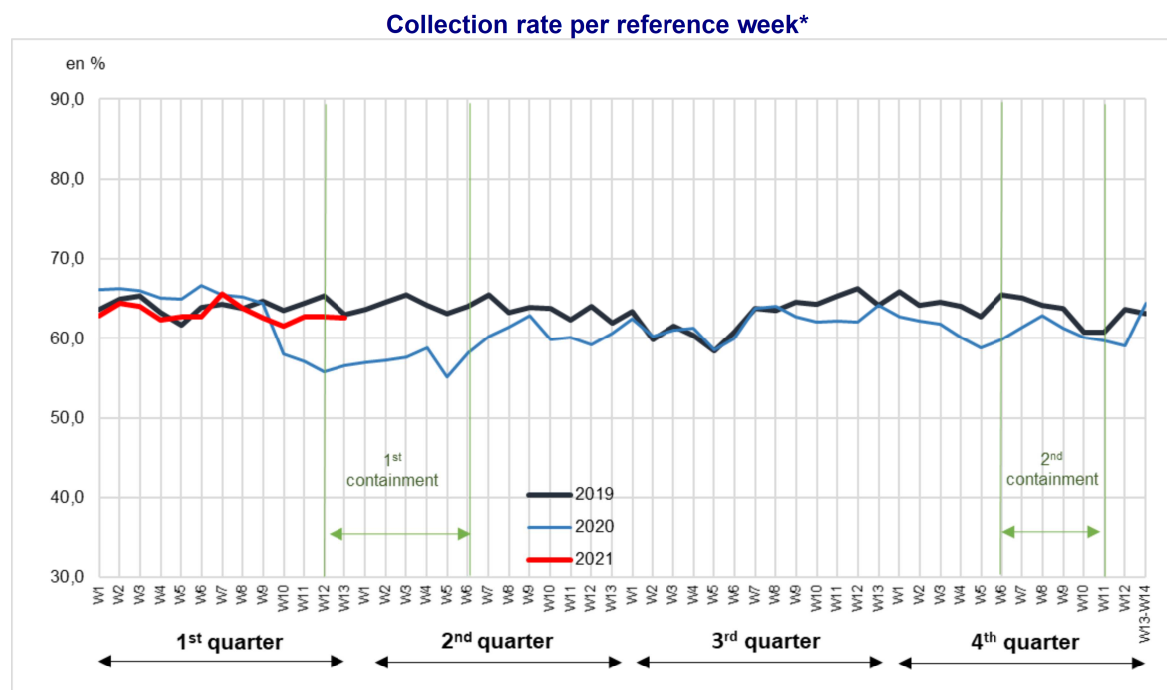
Every ten years or so INSEE overhauls the Labour Force Survey to renovate the survey questionnaire or introduce methodological innovations. On that occasion, the long time series published with the *Informations Rapides* are backcasted to make them consistent with the new survey. The latest overhaul happened at the beginning of 2021.

### In Q1 2021, the Labour Force survey continued to be affected by the health crisis.

In Q1 2021, the survey collection continued under adapted conditions: tracking operations (to check the status of the dwelling and contact the household) were carried out, but the first interviews, normally carried out face-to-face, were conducted instead by telephone. All in all, the collection rate stood at 63.1% in Q1 2020, 0.1 points higher than in Q1 2020, and 0.9 points lower than in Q1 2019. The usual statistical adjustment methods make it possible to obtain data that remain representative of the entire population.

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<sup>1</sup> Since 2014, the four overseas départements (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 conducted since 2013.



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

## Publication and revision of series

The quarterly results of the Labour Force Survey for a given quarter are usually 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.

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

**On an exceptional basis, the Labour Force survey can be renovated, with changes in the questionnaire, collection protocol, or weighting methods. These changes can result in a revision of the levels of the published series.** This is the case in June 2021 for the survey covering the first quarter of 2021.

## Labour force survey overhaul starting Q1 2021

In compliance with the new European regulation on social statistics (Integrated European Social Statistics), and to modernise its collection protocol, Insee overhauled the french labour force survey from Q1 2021 onwards.

Insee renovated the survey questionnaire to improve European harmonization, but also to better meet the needs of its users and the new challenges of the labor market. At the same time, Insee modernized the survey protocol: after an initial face-to-face interview, Insee now offers the possibility of answering on the Internet for reinterviewing, in addition to the telephone. Insee also revised the weighting method.

These changes have modified the level of the indicators produced by the survey, from the first quarter of 2021 release onwards. In order to prepare for this overhaul, a comprehensive methodological "Pilot survey" operation was conducted throughout 2020 and in the first quarter of 2021. It made it possible to estimate the breaks in series introduced by the change in survey. The economic indicators for the first quarter of 2021 published on 29 June 2021 are directly derived from this new survey; those relating to previous quarters have been recalculated without breaks, in order to continue to shed light on the labour market situation in a long-term perspective.

All these changes and their impact on the main published indicators are presented in an "Insee Analyses" also published on June 29, 2021.

### Geographical scope: France excluding Mayotte

From the 3rd quarter of 2019, all quarterly indicators from the Labour Force Survey survey are released over the "France excluding Mayotte" scope. Previously, only unemployment was reported over 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.

In 2019, the hindsight was 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 to 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.

### Understanding the *Informations Rapides* results

#### **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) is 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. Types of active job search considered are various: studying job advertisements, going to a job fair, mobilising one's social network or contacting "Pôle emploi" (french unemployment agency)...

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 has been jobless and 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 due to some listed reasons (leave, sick leave, short-time working ... sometimes with duration criteria) . Employed people are either employees, self-employed, employers or family-helpers.

The **employment rate** is the ratio of the number of employed people to the total corresponding 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. Each position is then taken into account in proportion to its hourly workload compared to that of a full-time position. For example, an employee who has worked in a given position at 80% counts as 0.8 FTE.

The **underlying (or standardised) employment rate** is the arithmetic average of the detailed age-specific employment rates. It makes it possible to neutralise the unequal demographic weight of the

age groups included in the employment rate. For example, from the 2000s onwards, the underlying employment rate of older people (50-64 years) makes it possible to measure an employment rate that does not take into account the fact that the baby-boom generations are gradually reaching retirement age and inflate the weight of the inactive age groups among the 50-64 year old.

### **ILO ACTIVITY**

An active person as defined by the ILO is a person who is either employed or unemployed according to 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. It can be calculated on the total population, but is most often limited to the population aged 15 to 64, or to a subgroup of the population (women aged 25 to 49 for example).

The **active life expectancy** represents the average duration of activity, in years, of a generation that would be subject to the activity conditions observed over the current period.

It is calculated as the sum of the activity rates at each age from a given initial age (for example, for the "active life expectancy at 50", the sum of the activity rates at 50, 51, 52 etc. observed over the current period). It is independent of the demographic structure. This indicator is described as "apparent", as it takes no account of deaths that may occur during the activity period, nor of changes that could affect activity behaviour by age in the years to come.

### **HALO AROUND UNEMPLOYMENT**

The **halo around 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 do not match all ILO unemployment criteria: either they are looking for a job but are not available for work (component 1), or because they are available but have not been actively seeking work (component 2), or because they are neither available nor have been searching for a job (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<sup>2</sup> » a report by the National Council for Statistical Information (CNIS).

### **ILO UNDEREMPLOYMENT**

**Underemployment** includes employed people who either are working part-time, would like to work more and are available to do so, or have worked less than usual during the reference week, due short\_time working (technical unemployment, unemployment due to weather or partial activity scheme).

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.

### **NEET**

A NEET (neither in employment nor in education or training) is a person who is neither in employment, education nor training (formal or non-formal). The NEET share is usually calculated for people aged 15-29.

### **NUMBER OF WORKED HOURS**

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<sup>2</sup>

. 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\\_prekarite.PDF](http://www.cnis.fr/files/content/sites/Cnis/files/Fichiers/publications/rapports/2008/RAP_2008_108_emploi_chomage_prekarite.PDF)

Worked hours includes all hours actually worked during the reference week, excluding holidays and absences for any reason. The average number of worked hours per week and per job relates the number of worked hours reported in the reference week to the number of persons in employment.

### **CONSTRAINT IN THE LABOUR SUPPLY**

The concept of **labour supply constraint** is intended to cover different situations faced by people in the labour market whose labour supply is unused (if they are unemployed or in the halo around unemployment) or underused (if they are underemployed).

The labour supply constraint rate is defined as the ratio of the number of people aged 15-64 who are underemployed, unemployed or in the halo around unemployment to the number of 'broadly defined' labour force participants (either active or in the halo around unemployment, sometimes also referred to labour market participants).

### **Gradual renewal of the sample from Q3 2019 to Q4 2020**

The housing sample used for the metropolitan area was gradually renewed between Q3 2019 and Q4 2020. In the end, the metropolitan France sample was 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 results interpretations, especially for short-term comparisons.

Taking into account sampling variability, the quarterly 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 over 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.

## Main indicators accuracy in Q1 2021 (non seasonally adjusted)

	Non seasonally-adjusted level (thousands)			Non seasonally-adjusted rate (in%)		
		Accuracy	95 % confidence interval		Accuracy	95 % confidence interval
<b>Unemployment</b>	<b>2 364</b>	<b>93</b>	<b>[ 2 271 - 2 457 ]</b>	<b>8,1</b>	<b>0,3</b>	<b>[ 7,8 - 8,4 ]</b>
Men	1 259	65	[ 1 194 ; 1 324 ]	8,5	0,4	[ 8,1 - 8,9 ]
Women	1 106	54	[ 1 052 ; 1 160 ]	7,8	0,4	[ 7,4 - 8,2 ]
15-24 years	564	41	[ 523 ; 605 ]	20,5	1,3	[ 19,2 - 21,8 ]
25-49 years	1 298	63	[ 1 235 ; 1 361 ]	7,5	0,4	[ 7,1 - 7,9 ]
50 years or more	502	39	[ 463 ; 541 ]	5,6	0,4	[ 5,2 - 6,0 ]
<b>Employment</b>	<b>26 269</b>	<b>165</b>	<b>[ 26 104 ; 26 434 ]</b>	<b>66,6</b>	<b>0,4</b>	<b>[ 66,2 - 67,0 ]</b>
Men	13 398	101	[ 13 297 ; 13 499 ]	69,3	0,5	[ 68,8 - 69,8 ]
Women	12 871	107	[ 12 764 ; 12 978 ]	64,1	0,5	[ 63,6 - 64,6 ]
15-24 years	2 186	61	[ 2 125 ; 2 247 ]	29,6	0,8	[ 28,8 - 30,4 ]
25-49 years	15 999	108	[ 15 891 ; 16 107 ]	81,5	0,5	[ 81,0 - 82,0 ]
50-64 years	8 084	93	[ 7 991 ; 8 177 ]	65,2	0,7	[ 64,5 - 65,9 ]
<b>Activity</b>	<b>28 617</b>	<b>146</b>	<b>[ 28 471 ; 28 763 ]</b>	<b>72,6</b>	<b>0,4</b>	<b>[ 72,2 - 73,0 ]</b>
Men	14 645	65	[ 14 580 ; 14 710 ]	75,8	0,5	[ 75,3 - 76,3 ]
Women	13 972	87	[ 13 885 ; 14 059 ]	69,6	0,5	[ 69,1 - 70,1 ]
15-24 years	2 751	85	[ 2 666 ; 2 836 ]	37,2	0,9	[ 36,3 - 38,1 ]
25-49 years	17 297	89	[ 17 208 ; 17 386 ]	88,1	0,4	[ 87,7 - 88,5 ]
50-64 years	8 569	101	[ 8 468 ; 8 670 ]	69,1	0,7	[ 68,4 - 69,8 ]
<b>Halo around unemployment</b>	<b>1 879</b>	<b>84</b>	<b>[ 1 795 ; 1 963 ]</b>			
Men	830	54	[ 776 ; 884 ]			
Women	1 049	56	[ 993 ; 1 105 ]			
15-24 years	485	43	[ 442 ; 528 ]			
25-49 years	952	52	[ 900 ; 1 004 ]			
50 years or more	442	39	[ 403 ; 481 ]			

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

Source: INSEE, Labour Force Survey

## 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>

- Documentation on French Labour Force survey

<https://www.insee.fr/en/metadonnees/source/operation/s2022/presentation>

- "The French Labour Force Survey is being overhauled in 2021: rationale behind the renovation and impact on the measurement of employment and unemployment" (in French), in *Insee Analyses*, n°65, juin 2021

<https://www.insee.fr/fr/statistiques/5402123>