

Unemployment

In H2 2017, the number of unemployed in France decreased by 139,000. Thus the ILO unemployment rate fell by 0.5 points, to 8.9% of the labour force, after 9.4% in mid-2017. Over the year, the drop in the unemployment rate was 1.1 points, the largest fall since the beginning of 2008.

Over the forecasting period, the rise in employment is expected to almost match the increase in the labour force, so the unemployment rate is likely to remain the same: by mid-2018, it should stand at 8.9% in France, the same as at the end of 2017, or 0.5 points lower than in mid-2017.

The unemployment rate fell by 0.5 points in H2 2017

In H2 2017, the number of unemployed declined by 139,000 (Table) and the unemployment rate fell by 0.5 points (Graph), after -0.6 points in H1: it stood at 8.9% in France (excluding Mayotte), after 9.4% in mid-2017. This was its lowest level since 2009. Set against the Q4 2016 level, the drop in the unemployment rate was 1.1 points, the highest year-on-year since Q1 2008.

In Metropolitan France, the halo of unemployment¹ remained virtually stable across 2017 (+12,000).

The youth unemployment rate fell sharply in 2017

The unemployment rate in France dropped for all age brackets, especially for 15-24-year-olds. In Q4 2017, the youth unemployment rate fell by 1.1 points compared with the previous quarter, and by 2.6 points compared with Q4 2016. It stood at 21.3% of the labour force, its lowest level since the end of 2008. The unemployment rate for 25-49-year-olds stood at 8.3%: it decreased by 0.9 points between Q3 and Q4 2017, and by 1.1 points over the year. The rate for over-50s fell by 0.2 points over the quarter and by 0.5 points over the year, to stand at 6.4% at the end of 2017.

Between Q3 and Q4 2017, the unemployment rate dropped a little more sharply for women (-0.8 points) than for men (-0.6 points). The unemployment rate for women thus remains slightly lower than that for men. In Q4 2017 it was 8.8%, the same level as early 2009, and the rate for men was 9.1%, the same as in Q2 2010.

1. The halo of unemployment is made up of economically inactive persons as defined by the International Labour Office (ILO): it refers to people who are seeking employment but who are not available and people who wish to work but are not seeking employment, whether they are available or not.



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

French developments

Over one year, the unemployment rate fell in very similar proportions for men (-1.1 points) and for women (-1.0 point).

After its sharp fall, the unemployment rate should remain unchanged through to mid-2018

In 2017, the spontaneous growth in the labour force (+91,000) was slightly less than in 2016 (+103,000): the scheme for long careers partly offset the impact of the age of pension eligibility being raised once again at the beginning of 2017, this time to 62 years old. The jobseekers' training plan, which resulted in some jobseekers leaving the labour force temporarily, culminated at the end of 2016 and its after-effect contributed to the slight rise in the labour force in 2017. The fall in unemployment would also appear to have encouraged some inactive people to enter the

labour market, through an economic downturn effect. Finally, when the different sources that provide employment data were compared, a substantial divergence was observed in 2017: employment estimates based on declarations by enterprises to the administrations that collect social security contributions ("Employment" line in the table) increased less quickly than employment as measured in the Labour Force Survey, which is used when calculating the unemployment rate. This deviation in momentum in 2017 can be interpreted as a catch-up effect, after three consecutive years of differences in the opposite direction. Assuming a moderate backlash and a narrowing of these divergences in H1 2018, the unemployment rate should remain unchanged over the forecasting period: in mid-2018, it is expected to be 8.9% in France, the same as at the end of 2017. ■

Changes in the labour force, employment and unemployment

in thousands, SA, and in %

	Quarterly changes										Annual changes			
	2016				2017				2018		2015	2016	2017	2018 S1
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2				
Population of the 15-64 age bracket	-6	-6	-6	-6	1	1	1	1	-5	-5	-77	-22	3	-10
Population of the 15-59 age bracket	1	1	1	1	-3	-3	-3	-3	-6	-6	-63	4	-11	-12
Labour force	54	-16	72	83	-58	46	128	-147	89	21	19	193	-31	110
including:														
(a) Contribution of the population and the trend activity rate	26	26	26	26	23	23	23	23	21	21	121	103	91	42
(b) Estimated effects of economic downturns	2	2	2	2	5	5	5	5	0	0	-4	8	21	0
(c) Estimated effects of public policies	-3	-18	-5	-3	14	6	3	1	1	0	3	-29	24	1
(d) Other short-term fluctuations (residual)	29	-26	49	58	-100	11	98	-176	67	0	-101	110	-167	67
Employment	50	55	69	73	69	79	63	57	67	56	92	246	268	123
Reminder: End-of-period employment (see "Employment" sheet)	50	59	79	66	72	85	41	73	60	52	105	254	271	113
ILO unemployment	4	-71	3	11	-127	-33	65	-204	22	-35	-72	-53	-298	-13
	Quarterly average										Average in the last quarter of the period			
ILO unemployment rate (%)														
France excluding Mayotte)	10.2	10.0	10.0	10.0	9.6	9.4	9.6	8.9	9.0	8.9	10.2	10.0	8.9	8.9

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 2010.

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

Source: INSEE