

Unemployment

In Q3 2019, the ILO unemployment rate increased slightly (+0.1 points), to 8.6% of the French labour force, after dropping by 0.2 points during the previous quarter. Year on year, it fell by 0.5 points, following the downward trend that began in mid-2015.

Over the forecasting period to mid-2020, employment should continue to grow more quickly than the labour force, and unemployment is expected to keep falling steadily. Consequently, the unemployment rate is likely to stand at 8.4% at the end of the year, 0.4 points below its level one year before, thereby reaching its lowest level since early 2008.

The unemployment rate increased marginally in Q3 2019

In Q3 2019, the number of unemployed barely increased (+10,000; *Table*), corresponding to an increase of 0.1 points (after rounding off), and taking the unemployment rate (*Graph*) to 8.6% in France (excluding Mayotte), after -0.2 points in the

previous quarter. Year on year, the unemployment rate fell by 0.5 points (-185,000 unemployed), at a similar pace to its average decline since mid-2015 (at an annual rate of -0.4 points). It reached its lowest level since early 2009, but remains 1.6 points above its pre-crisis low point recorded in early 2008. At the same time, the halo of unemployment¹ increased slightly, both over the quarter (+27,000) and year on year (+30,000).

The unemployment rate should keep falling steadily through to mid-2020

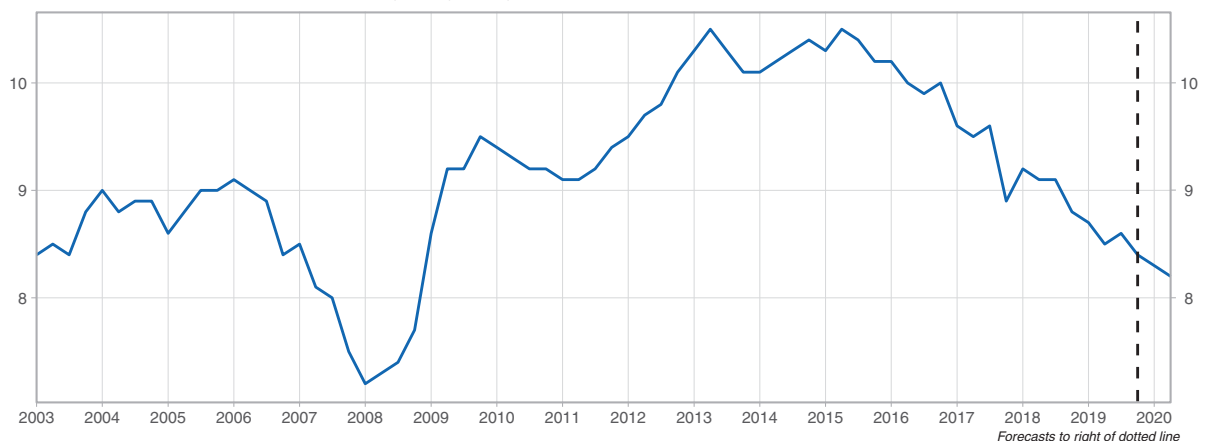
In 2019, total employment measured as a quarterly average is expected to accelerate again (+277,000 after +238,000 in 2018, and +312,000 in 2017). In addition, the labour force trend is becoming less dynamic each year (+70,000 in 2019 after +83,000 in 2018, and +91,000 in 2017). The Skills Investment Plan (Plan d'investissement dans les compétences²), which is gradually being rolled out to more beneficiaries, is likely to have only a limited effect

1. The halo of unemployment is formed by people who are inactive according to the ILO definition, but who are in a situation relatively close to unemployment. It covers people who are seeking employment but are unavailable, and people who want to work but are not actively seeking work, regardless of their availability.

2. The Skills Investment Plan (PIC), launched in September 2017 and coordinated by the French Ministry of Labour, sets out to train one million low-skilled job-seekers and one million young people who are excluded from the labour market.

Unemployment rate (ILO definition)

quarterly averages as a % of the labour force, CVS data



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

French developments

on the labour force (see "Estimated effects of public policies" line). Consequently, the expected rise in employment in 2019 (+277,000) is once again likely to exceed the increase in the labour force (+153,000). As a result, the unemployment rate should drop by 0.4 points during 2019, after -0.1 points in both 2018 and 2017. In particular, the unemployment rate is set to decline by 0.2 points in Q4 2019, when it should stand at 8.4%.

In H1 2020, employment is expected to keep growing faster than the labour force (+92,000 compared to +33,000) and the unemployment rate is likely to fall again (-0.1 points per quarter). Over the forecasting period, the unemployment rate is expected to stand at 8.2% of the labour force by mid-2020, i.e. 0.3 points lower than one year earlier and at its lowest level since the end of 2008. ■

Change in the labour force, employment and unemployment

in thousands, SA and in %

	Quarterly changes										Annual changes			
	2018				2019				2020		2017	2018	2019	2020 S1
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2				
Population of the 15-64 age bracket	-10	-10	-10	-10	-7	-7	-7	-7	2	2	-13	-41	-29	4
Population of the 15-59 age bracket	-11	-11	-11	-11	-12	-12	-12	-12	-4	-4	-26	-44	-49	-9
Labour force (1)=(2)+(3)	181	19	31	-32	65	15	61	12	19	14	12	199	153	33
including:														
(a) Contribution of the population and the trend activity rate	21	21	21	21	18	18	18	18	15	15	91	83	70	29
(b) Estimated effects of economic downturns	3	3	3	3	2	2	2	2	2	2	20	12	8	4
(c) Estimated effects of public policies	4	-1	-2	-7	6	-7	4	2	2	-2	25	-5	6	0
(d) Other short-term fluctuations (residual)	153	-4	9	-49	39	2	38	-10	0	0	-124	109	69	0
Employment (2)	82	51	41	64	94	85	51	47	48	44	312	238	277	92
Reminder: End-of-period employment (see "Employment" sheet)	69	34	47	80	107	62	40	53	43	45	343	230	263	88
ILO unemployment (3)	99	-32	-10	-96	-29	-70	10	-35	-29	-30	-300	-39	-124	-59
	Quarterly average											Average in the last quarter of the period		
ILO unemployment rate (%)	9.2	9.1	9.1	8.8	8.7	8.5	8.6	8.4	8.3	8.2	8.9	8.8	8.4	8.2

■ 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 2014.

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

Source: INSEE