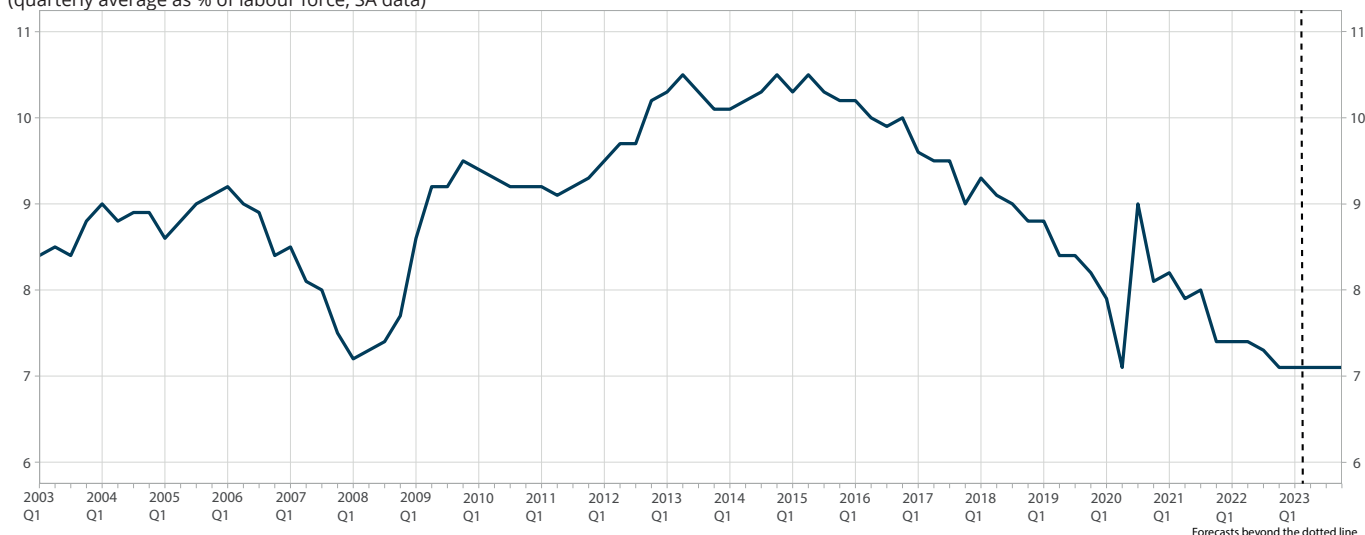# Unemployment

In Q1 2023, the unemployment rate according to the ILO definition had stabilised compared to the previous quarter, at 7.1% of the labour force (►**Figure 1**). This rate was 0.3 points below its level of Q1 2022 and 3.4 points below its peak in mid-2015; this is its lowest level since Q2 2020, with the exceptional artificial drop during the first lockdown. Equivalent levels were measured in Q1 2008 (7.2%) and Q2 1982 (7.1%). The year-on-year fall is the result of a more vigorous momentum in employment than in the labour force: 514,000 net jobs were created throughout the year for 441,000 additional workers. The rates of employment (68.6%) and activity (73.9%) for 15-64-year-olds were both high in Q1 2023, at their highest level since INSEE has been measuring them (1975).

Over the rest of 2023, the labour force is expected to increase by about 50,000 workers per quarter on average, a more moderate rise than in 2022. This increase in the labour force in 2023 is likely to be driven in part by the increase in sandwich contracts, although at a slower pace than in 2022, and by the pension reform from September. There are also the first effects of the February 2023 unemployment benefit reform which are expected to be felt by employment and the labour force in H2. Given the expected slowdown in employment (+68,000 on average in Q2 2023 then +29,000 and +20,000) the unemployment rate should remain stable at 7.1%, of the labour force until the end of 2023 (►**Figure 2**). ●

► 1. Unemployment rate (ILO definition)
(quarterly average as % of labour force, SA data)

Scope: France (excluding Mayotte), persons aged 15 or over living in ordinary housing.
Source: INSEE, Labour Force Survey.

2. Change in employment, unemployment and the active population
(variation in quarterly average in thousands, SA data)

	2022				2023				Annual change			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2020	2021	2022	2023
Employment (1)	**166**	**125**	**126**	**97**	**89**	**68**	**29**	**20**	42	1 027	514	206
reminder: employment at the end of the period	112	139	114	80	97	38	20	20	-6	1 126	445	175
Unemployment (2)	**-17**	**9**	**-18**	**-48**	**-8**	**-8**	**3**	**31**	-46	-155	-74	18
Active population = (1) + (2)	**149**	**135**	**108**	**49**	**81**	**60**	**32**	**51**	-5	872	441	224
Trend labour force (a)	7	8	9	11	9	8	22	38	24	27	35	77
"Short-term flexion effect (b)	17	13	13	10	9	7	3	2	4	102	53	21
Effect of work-linked training on youth activity (c)	14	20	30	22	8	5	7	11	40	133	86	31
Residue (d)	112	94	56	6	55	40	0	0	-74	611	268	95
Variation in unemployment rate	**0.0**	**0.0**	**-0.1**	**-0.2**	**0.0**	**0.0**	**0.0**	**0.0**	-0.1	-0.7	-0.3	0.0
Unemployment rate	7.4	7.4	7.3	7.1	7.1	7.1	7.1	7.1				

▇ Forecast
(a) Trend based on adjusted 2022 active population projections, including the effect of the 2023 pension reform and the effect of the 2023 unemployment benefit reform.
(b) This flexibility effect represents the fact that new workers enter the labour market when the employment situation improves.
(c) Effect based on sandwich contract numbers from DARES, calculations by INSEE.
(d) In 2020 and 2021, the residue covers the specific effect of the health crisis on activity behaviour.
Note: employment corresponds here to total employment (payroll employment including sandwich contracts + self-employment), measured as a quarterly average.
How to read it: in Q1 2023, employment increased by 89,000 on average, unemployment decreased by 8,000 and the labour force increased by 81,000. The unemployment rate was stable at 7.1%.
Scope: France (excluding Mayotte), persons aged 15 or over.
Source: INSEE, Labour Force Survey, Quarterly employment estimates