

# Unemployment

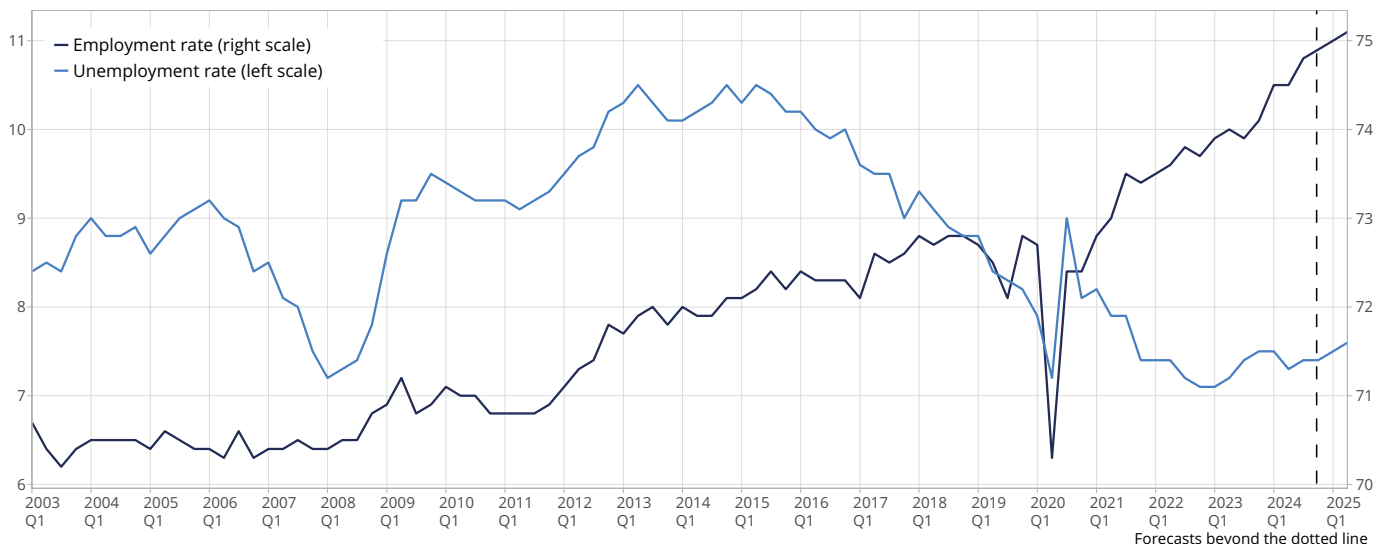
In Q3 2024, the unemployment rate according to the ILO definition was virtually stable compared to the previous quarter: +0.1 points, representing 7.4% of the labour force (► [Figure 1](#)). This was 0.3 points higher than the low point of 7.1% reached in Q4 2022 and Q1 2023, but still significantly lower than its mid-2015 peak (10.5%). The unemployment rate among the under-25s rose again in Q3 2024: +1.8 points, to 19.7%. This is 2.4 points above its level of a year earlier and is the highest it has reached since Q1 2021. Meanwhile, the unemployment rate for those aged 25-49 remained virtually stable over the quarter (-0.1 points), 0.2 points below its level the previous year, at 6.6%. For those aged 50 and over, the unemployment rate fell by 0.3 points over the quarter, and by 0.5 points year on year, to 4.7%, its lowest level since the end of 2008.

The relative stability of unemployment year on year is the result of similar increases in both employment and the labour force: 214,000 net jobs were created over the year for 256,000 additional workers. For 15-64-year-olds, the employment rate (69.1%) and the labour force participation rate (74.8%) continued to increase, and in Q3 2024 reached their highest levels, at least since INSEE has been measuring them (1975).

In Q4 2024 and H1 2025, mainly as a result of the pension reform, the labour force is expected to continue to increase substantially (around +40,000 workers per quarter). However, the decline in the number of apprentices is likely to have a slightly negative effect on the labour force. Given that employment is expected to remain more or less stable over the next three quarters, the unemployment rate should continue to increase slightly, to 7.6% of the labour force by mid-2025 (► [Figure 2](#)). This forecast is imperfect as there is some uncertainty surrounding the potential effects of the implementation of the law on full employment at the beginning of 2025: this provides for the automatic registration with France Travail at the beginning of 2025 of “everyone without employment”, especially those receiving the earned income supplement “RSA”. The aim of the reform, ultimately, is to bring these people back into employment and thus to increase their labour force participation rate, as a large proportion of them are currently inactive. However, the short-term effects of this reform on indicators according to the ILO definition are uncertain and will very much depend on how the law is implemented (► [Box](#)). At this stage, the forecasts presented here do not include any effect on employment and unemployment resulting from this reform. ●

## ► 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)

	Quarterly change										Annual change			
	2023				2024				2025		Q4 2022	Q4 2023	Q4 2024	Q2 2025
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2				
<b>Employment (1)</b>	<b>87</b>	<b>74</b>	<b>80</b>	<b>58</b>	<b>70</b>	<b>50</b>	<b>37</b>	<b>47</b>	<b>17</b>	<b>7</b>	<b>429</b>	<b>300</b>	<b>203</b>	<b>107</b>
reminder: employment at the end of the period	58	90	71	46	94	5	68	26	7	7	395	265	193	108
<b>Unemployment (2)</b>	<b>8</b>	<b>41</b>	<b>50</b>	<b>47</b>	<b>2</b>	<b>-42</b>	<b>35</b>	<b>-4</b>	<b>22</b>	<b>27</b>	<b>-72</b>	<b>146</b>	<b>-10</b>	<b>80</b>
<b>Active population = (1) + (2)</b>	<b>95</b>	<b>115</b>	<b>130</b>	<b>106</b>	<b>71</b>	<b>8</b>	<b>72</b>	<b>43</b>	<b>39</b>	<b>34</b>	<b>357</b>	<b>446</b>	<b>193</b>	<b>187</b>
Trend labour force (a)	11	9	23	39	38	38	39	39	40	41	30	82	154	158
"Pre-crisis" cyclical bending effect (b)	9	7	8	6	7	5	4	5	2	1	43	30	20	11
Effect of work-linked training on youth activity (c)	10	16	7	1	11	16	5	-1	-2	-8	86	35	30	-6
Residue	66	82	92	59	16	-51	25	0	0	0	198	299	-11	25
<b>Variation in unemployment rate</b>	<b>0.0</b>	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>	<b>0.0</b>	<b>-0.2</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>-0.3</b>	<b>0.4</b>	<b>-0.1</b>	<b>0.3</b>
Unemployment rate	7.1	7.2	7.4	7.5	7.5	7.3	7.4	7.4	7.5	7.6				

■ Forecast.

(a) Trend based on adjusted 2022 active population projections, including the impact of the 2023 pension reform and the 2023 unemployment insurance reform.

(b) This flexibility effect represents the fact that new workers enter the labour market when the employment situation improves.

(c) Effect based on employment policy monitoring data from DARES, calculations by INSEE.

**Note:** employment here corresponds to total employment (payroll workers and self-employed), measured as a quarterly average.

**How to read it:** between the second quarter of 2024 and the third quarter of 2024, employment rose by an average of 37,000 people, unemployment by 35,000 and the working population by 72,000.

**Scope:** France (excluding Mayotte), persons aged 15 or over.

**Source:** INSEE, Labour Force Survey, Quarterly employment estimates.

## The "full employment" law comes into force in January 2025: uncertain effects on the ILO's unemployment indicator

### The "full employment" law provides for the automatic registration with France Travail of everyone without a job from the beginning of 2025

The aim of the "[full employment law](#)" of 18 December 2023 is to achieve "employment for all via strengthened socio-professional support for those who need it most, and a transformation of the public employment service". In particular, since the beginning of 2024, the operator France Travail has replaced Pôle Emploi. In addition, among the provisions of the law is automatic registration with France Travail of "everyone without employment" at the start of 2025. This therefore concerns those receiving and applying for the earned income supplement "RSA" and their partners, young people receiving support from local Missions and disabled people receiving support from Cap Emploi.

The law also provides for the strengthening of support through an improved employment contract, with rights and responsibilities. For example, for a person receiving the RSA, failure to comply with certain responsibilities (e.g. summons to attend an interview) could result in a report being sent to the departmental Council and ultimately to the suspension of benefit payments for the person concerned.

Registration of all those concerned (RSA, local Missions, Cap Emploi) will be automatic from the beginning of 2025. However, entry into the support programme will be gradual and will not be effective until after an interview with a guidance counsellor. Thus there will be a transition period of two years (three years in the French Overseas Departments), at the end of which all new registrants will have been seen.

New registrants who have not yet been seen will be classified as "awaiting orientation". Those who have been out of work for a considerable time due to peripheral constraints (e.g. health, caring for a relative), will be classified in a "social track" category and will receive specifically tailored support.

### Direct and potentially significant impact on job-seeker statistics

Because registration is automated, the numbers registering with France Travail will increase sharply at the beginning of 2025. For example, at present, among the 2.1 million additional beneficiaries of the RSA, only around 40% are already registered with France Travail: thus, about 1.2 million existing beneficiaries could be registering, not to mention the new applications in 2025. To deal with this expected shock to statistics covering job-seekers registered with France Travail, a consultation group has been set up by the National Council for Statistical Information (“CNIS”), chaired by Eric Heyer and composed of members of DARES, France Travail, INSEE, experts and qualified individuals.

The [working group report](#), submitted in September 2024, notably provides for the creation of two new statistical categories mirroring the two new administrative categories. On the one hand, people in the “social track” will be placed in category F: they will not be considered as being “seeking employment”. On the other hand new registrants who have been automatically registered as “awaiting orientation” will be put into category G; when they come out of this pending category, they will be classified according to the job-seekers’ categories (A to E) or put into category F. Data will also be produced in order to best measure the impact of the reform on the statistics published in categories A to E and to highlight any short-term changes (e.g. number of registrants excluding RSA recipients, and excluding young people in local Missions).

### The fact of being registered with France Travail does not in itself constitute a criterion for defining activity status according to the ILO definition

According to the definition of the International Labour Organization (ILO), an unemployed person is someone who is aged 15 or over and who simultaneously meets three conditions: being unemployed during a given week; being available to take up a job within two weeks; having actively sought a job in the last four weeks or having found one starting in less than three months.

In France, as in all European Union countries, unemployment according to the ILO definition can only be measured through a survey, via the strict application of a European regulation. For purposes of comparability, measuring activity status (employment and unemployment according to the ILO and also inactivity) is very closely restricted, including the procedure for the questions (“harmonisation via inputs”). In order to measure this status according to the ILO definition, the responses to several factual questions from the Continuous Employment Survey are used, independently of any administrative criteria. In particular, the fact of being registered with France Travail is not directly included in the ILO definition of unemployment. Thus, not all unemployed people within the ILO definition are registered with France Travail, and not all job-seekers are unemployed (► [Passeron, 2022](#)). Therefore, any change relating to the conditions of registration with France Travail, to the rights and responsibilities of those registered or to the unemployment benefit payment system does not automatically affect unemployment as defined by the ILO. Nevertheless, seeking advice from France Travail may form part of the active steps considered in the definition of unemployment according to the ILO (see below).

### Indirect effects of the law on the indicators according to the ILO definition

The purpose behind the automatic registration of a significant number of people with France Travail is to change their behaviour regarding the intensity of their job search and the methods used. It could therefore indirectly affect the ILO activity indicators.

Regarding employment, it is possible that more intensive support from France Travail or even the possibility of stopping the RSA could result in a quicker return to work by those receiving this benefit. In sectors where there is a shortage of workers, this could help increase employment, all other things being equal. However, if, as was the case when experiments with the law were being carried out, some of those that are registered are doing “immersive work in companies”, with no additional remuneration apart from the RSA, then in theory this has no impact on employment according to the ILO’s definition, where “people who are obliged to work in order to continue to receive government social benefits are excluded from the employment category”.

It is also possible that registering with France Travail could result in people declaring greater availability, or could boost the job search of those who would not otherwise have been searching at all were it not for the law (e.g. through disillusionment): these people would then move from inactivity to unemployment, according to the ILO

definition. This would be the case, for example, if, when interviewed, these available individuals say that they are “looking at job offers”, “updating their online CV”, “contacting France Travail to find a job or responding to one of their job offers”: in fact, these are the very steps that, in the Employment survey, classify a person as “actively” seeking employment. However, this type of change of status according to the ILO definition will not apply to those who are newly registered and are on a training course as part of their job search support, as this “activity” does not correspond to activity according to the ILO definition.

All in all, the reform may have the effect of pushing up both employment and activity but have an uncertain effect overall on unemployment. There are still many uncertainties surrounding all of these effects, in the short and medium term, regarding:

- the number of people concerned: this will depend on the pace at which France Travail is able to boost the effective support provided for these new applicants, also on applicants’ actualisation behaviour, and the distribution of new applicants across the different types of support;
- the intensity and coercive nature of the demands placed on people who are automatically registered; these are, for the most part, still to be defined and will largely depend on decisions by the departmental Councils on conditions surrounding possible suspension of the RSA;
- changes in behaviour in the labour market due to “automatic” registration with France Travail (which may differ from the behaviour of voluntary registrants), or even changes in behaviour in responding to the Employment survey.

It should also be noted that there is a change in practice regarding the administrative deletions of job seekers, which will no longer be automatic, after missing an appointment, for example. This could also have an impact on activity behaviour according to the ILO definition.

### **An initial progress report on the impact of the law on ILO indicators in Q1 2025 will be published in May 2025**

Due to the various uncertainties surrounding the potential effect of the law, forecasts for the labour market in this *Economic outlook* exclude any effect of its implementation, as there is some risk involved.

After the publication of the unemployment rate and labour market indicators based on the Employment survey for Q1 2025, and due in mid-May 2025, an initial progress report on the *ex post* measurement of these effects will be produced. It will then be possible to measure any change in the main labour market indicators (e.g. unemployment rate, employment rate, share of the halo of unemployment) by differentiating the contributions of the various population categories, based on the different variables used in the Employment survey relating to the receipt of RSA on the one hand, and to registration with France Travail on the other. ●