Unemployment

In Q4 2024, the unemployment rate according to the ILO definition was virtually stable compared to the previous quarter: -0.1 points, at 7.3% of the labour force (▶**Figure 1**), a slight decline year on year (7.5% at the end of 2023). Year on year, employment slowed (159,000 net jobs created in 2024 compared to 283,000 jobs in 2023) but was more dynamic than the labour force (87,000 additional workers in 2024, after +429,000 in 2023), which was slowed by a decline in 15-24-year-olds. The unemployment rate is slightly above its low point of 7.1%, reached in Q4 2022 and Q1 2023, and remains significantly below its mid-2015 peak (10.5%).

Year on year, the unemployment rate for 15-24-year-olds rose to 19.0% (+1.4 points compared to Q4 2023), although much less sharply than the 1.6 points downturn in their employment rate, which stood at 33.7% (▶**Figure 2**), would suggest, due to withdrawal from the labour force. Their labour force participation rate dropped by 1.3 points, to 41.5%, its lowest level since the start of 2022. This decline in the labour force participation rate is due for the most part to an increase in the halo of unemployment, itself driven mainly by young people who are still studying. In contrast to the situation for young people, the employment rate for 25-49 year-olds, and especially for the over-50s, increased year on year and their unemployment rate declined.

In H1 2025, mainly as a result of the pension reform, the labour force is expected to continue to grow (about +35,000 workers per quarter). However, the slight downturn in the number of apprentices is likely to have a slightly negative effect on the growth of the labour force, in the same way that the dynamism of apprenticeships was partly responsible for the sizeable increase in the labour force in previous years. Given the slight decline expected in employment over the next two quarters, the unemployment rate looks set to rebound by 0.2 points in Q1 2025, to 7.5%, then increase by 0.1 points in Q2 to reach 7.6% of the labour force by mid-2025 (▶**Figure 3**).

This forecast is shrouded in uncertainty. First, the assumption is made that withdrawal from the labour force will become normal practice. In addition is the implementation of the "law on full employment" at the beginning of 2025 (▶**Box sheet Employment**, *Economic Outlook,* December 2024), which provides for the automatic registration with France Travail of "everyone without employment", especially those receiving the earned income supplement "RSA". The aim of this reform is ultimately to bring these people back into employment and hence increase their labour force participation rate, as a large proportion of the targeted population are currently inactive. However, the short-term effects of this reform on indicators according to the ILO definition are uncertain and depend on how the reform is put in place. Thus, no impact is forecast as a result of this law for H1 2025. ●

▶**1. Unemployment rate (ILO definition)**
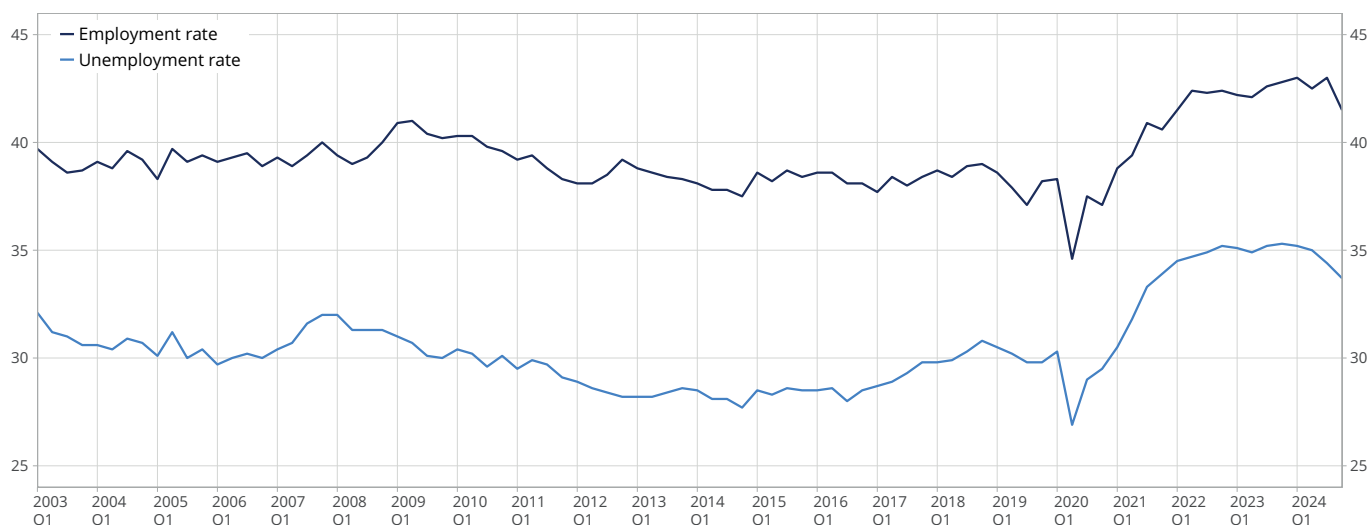(quarterly average as % of labour force, SA data)
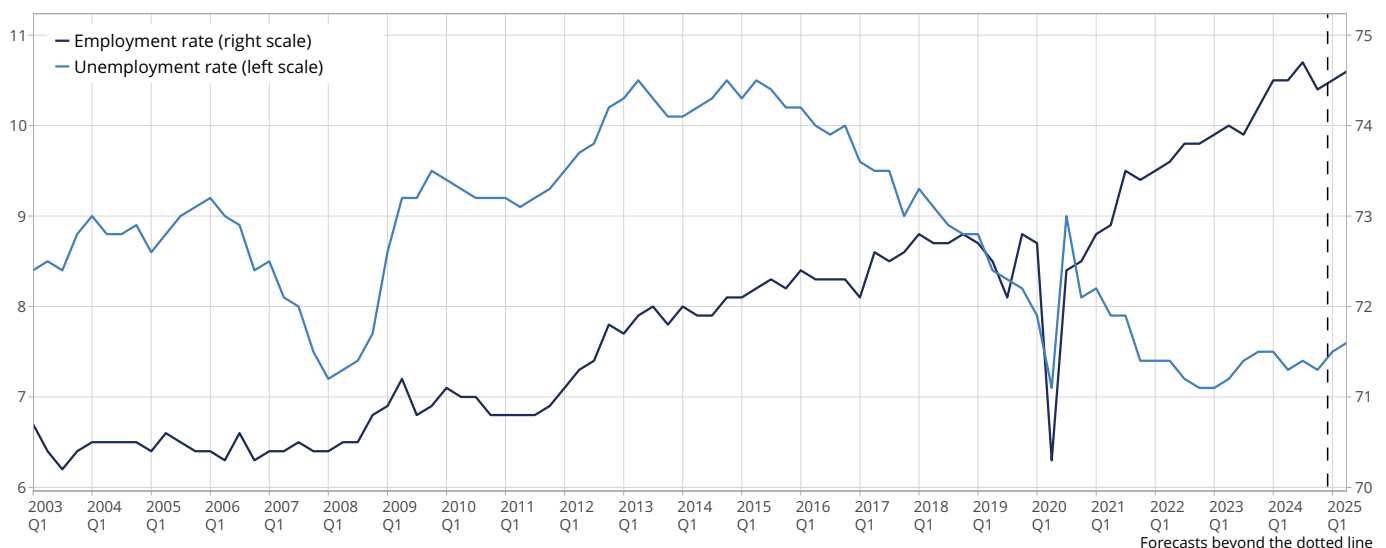
Forecasts beyond the dotted line

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

French economic outlook

►2. Employment rate and labour force participation rate for young people
(quarterly average as % of population aged 15-24; seasonally-adjusted data)

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

►3. Change in employment, unemployment and the active population
(variation in quaterly average in thousands, SA data)

	Quaterly change								2025		Annual change		
	2023				**2024**						Q4	Q4	Q4
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	2023	2024	2025
Employment (1)	92	72	62	57	82	51	33	-7	-42	-11	283	159	-27
reminder: employment at the end of the period	60	83	41	73	91	10	56	-70	-13	-8	257	87	-36
Unemployment (2)	2	39	54	51	-7	-41	41	-64	74	42	146	-71	93
Active population = (1) + (2)	94	111	116	108	75	9	74	-71	33	32	429	87	68
Trend labour force (a)	11	9	23	39	38	38	39	39	35	36	82	154	149
"Pre-crisis" cyclical bending effect (b)	9	7	6	6	8	5	3	-1	-4	-1	28	15	-3
Effect of work-linked training on youth activity (c)	10	16	7	1	11	16	5	-1	2	-4	34	31	2
Residue (d)	64	78	79	62	18	-50	27	-108	0	0	283	-113	-81
Variation in unemployment rate	0.0	0.1	0.2	0.1	0.0	-0.2	0.1	-0.1	0.2	0.1	0.4	-0.2	0.3
Unemployment rate	7.1	7.2	7.4	7.5	7.5	7.3	7.4	7.3	7.5	7.6			

■ 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 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 sandwich contract numbers from DARES, calculations by INSEE.

(d) Between the end of 2019 and the end of 2024, the residual will total 804,000, including 502,000 attributable to differences in sources between the Employment survey and administrative data.

Note: employment here corresponds to total employment (payroll workers and self-employed), measured as a quarterly average.
How to read it: between the Q3 2024 and Q4 2024, employment falls by an average of 7,000 people, unemployment by 64,000 and the working population by 71,000. Unemployment rate down 0.1 points to 7.3%.
Scope: France (excluding Mayotte), persons aged 15 or over.
Source: INSEE, Labour Force Survey, Quarterly employment estimates.