Unemployment

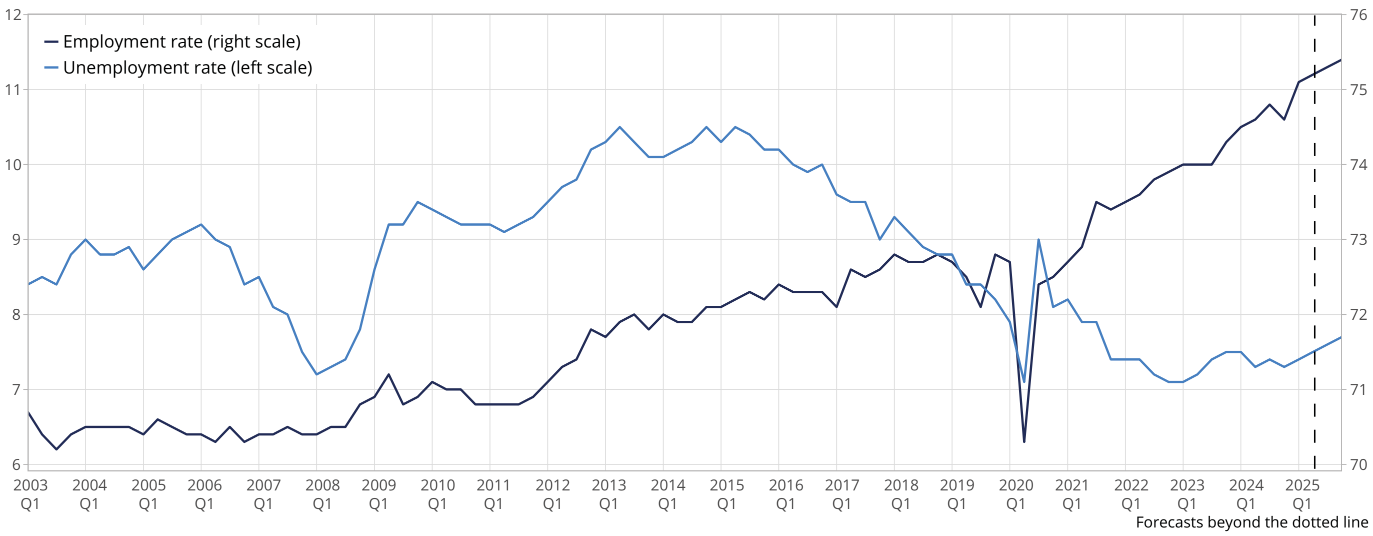
In Q1 2025, the ILO unemployment rate stood at 7.4% of the labour force (►**Figure 1**), virtually unchanged from the previous quarter (+0.1 point) and year on year (7.5% at the start of 2024). It has fluctuated between 7.3% and 7.4% since Q2 2024. This relative year-on-year stability in unemployment is the result of a sharp slowdown in employment (43,000 net jobs were created in one year, compared with +243,000 twelve months earlier), coming at the same time as a slowdown in the labour force (60,000 more people in the labour force in one year, compared with +387,000 twelve months earlier). The employment and activity rates (69.5% and 75.1% respectively) for 15-64 year-olds have continued to rise, with Q1 2025 marking their highest level since INSEE began measuring them (1975), but at around half the rate of the expected trend variation, reflecting the withdrawal of certain groups in response to the slowdown in employment.

This withdrawal phenomenon should gradually fade out and the labour force is expected to return to its trend rate (+32,000) in Q2 2025, mainly as a result of the pension reform. It is set to slow down once again in H2 2025 (+16,000 per quarter). Given the decline in the number of jobs on work-study programmes (►**Box** sheet Employment), the majority of students are likely to choose to continue their initial training rather than entering the labour force.

Given the expected decline in employment between now and the end of the year, the unemployment rate should gradually rise to 7.7% of the labour force by the end of 2025 (►**Figure 2**).

This forecast is shrouded in uncertainty as to the effects of the law on full employment, which provides since the beginning of 2025 for the automatic registration with France Travail (French employment agency) of "all persons without employment", especially those receiving the earned income supplement (RSA). The ultimate aim of this reform is to bring these people back into employment and hence increase their labour force participation rate, as a large proportion of the target population is currently inactive (►***Insee analyses*** N°108, April 2025). However, the effects of this reform on the indicators within the meaning of the ILO are both indirect and uncertain, and may also take a long time to be felt in significant proportions (►**Box** from December 2024 *Economic outlook*). Consequently, in Q1 2025, beneficiaries of the earned income supplement and young people registered with France Travail did not contribute significantly to changes in the overall employment and unemployment rates (►**Box** from *Information Rapide* N°120, May 2025). For the remainder of 2025, no effect on the unemployment rate is Blocexpected as a result of this law.

►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 quaterly average in thousands, SA data)

	Quaterly change												Annual change		
	2023				2024				2025				2023	2024	2025
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Employment (1)	**95**	**67**	**50**	**49**	**77**	**53**	**35**	**-5**	**-40**	**-2**	**-11**	**-19**	**261**	**160**	**-72**
reminder: employment at the end of the period	*80*	*55*	*46*	*53*	*102*	*5*	*66*	*-76*	*-3*	*-1*	*-22*	*-17*	*234*	*97*	*-43*
Unemployment (2)	**-6**	**44**	**63**	**54**	**-19**	**-37**	**39**	**-49**	**63**	**34**	**27**	**36**	**155**	**-66**	**160**
Active population = (1) + (2)	**89**	**111**	**114**	**104**	**58**	**16**	**74**	**-54**	**24**	**32**	**16**	**17**	**418**	**94**	**89**
Trend labour force (a)	*11*	*9*	*23*	*39*	*38*	*38*	*39*	*39*	*35*	*36*	*37*	*39*	*82*	*154*	*147*
"Pre-crisis" cyclical bending effect (b)	*10*	*7*	*5*	*5*	*8*	*5*	*4*	*-1*	*-4*	*0*	*-1*	*-2*	*27*	*16*	*-7*
Effect of work-linked training on youth activity (c)	*11*	*12*	*3*	*3*	*13*	*8*	*1*	*4*	*5*	*-4*	*-20*	*-20*	*29*	*26*	*-39*
Residue (d)	*58*	*82*	*82*	*56*	*-1*	*-35*	*31*	*-97*	*-12*	*0*	*0*	*0*	*278*	*-102*	*-12*
Variation in unemployment rate	**0.0**	**0.1**	**0.2**	**0.1**	**0.0**	**-0.2**	**0.1**	**-0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0,4**	**-0,2**	**0,4**
Unemployment rate	7.1	7.2	7.4	7.5	7.5	7.3	7.4	7.3	7.4	7.5	7.6	7.7			

■ Forecast

(a) Trend based on adjusted 2022 active population projections.

(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 here corresponds to total employment (payroll workers and self-employed), measured as a quarterly average.
How to read it: between the Q4 2024 and Q1 2025, employment falls by an average of 40,000 people, unemployment rise by 63,000 and the working population by 24,000. Unemployment rate rises 0.1 points to 7.4%.
Scope: France (excluding Mayotte), persons aged 15 or over.
Source: INSEE, Labour Force Survey, Quarterly employment estimates.