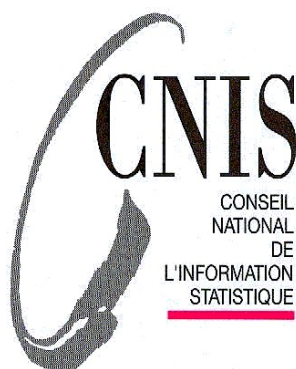


NATIONAL COUNCIL FOR STATISTICAL INFORMATION



*Report by Working Group on the definition of indicators for employment,
unemployment, underemployment, and precarious employment*

Employment, unemployment, and precariousness Better measurement for better discussion and better action

Chairman: Jean-Baptiste de Foucauld

Rapporteurs: Michel Cézard and Marie Reynaud

Translator: Jonathan Mandelbaum

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Employment, unemployment, and precariousness **Better measurement for better discussion and better action**

*Report by Working Group on the definition of indicators for employment,
unemployment, underemployment, and precarious employment*

Summary

The Working Group on the “definition of indicators on employment, unemployment, underemployment, and precarious employment” was formed at the request of the CNIS Executive Committee meeting of March 21, 2007, to “describe the complex and diverse situations in the labor market by means of an array of indicators on employment, unemployment, underemployment, and precarious employment.”

The remit, adopted on June 25, 2007, asked the Group to propose a limited number of indicators in each field of study aimed at improving its visibility and facilitating the preparation of summary analyses. As far as possible, these indicators should promote a dynamic approach to the phenomena studied and to individual statuses, while allowing comparisons with other countries. The frequency of publications and the conditions of their dissemination should also be examined.

The Working Group brought together members of the CNIS Task Force on Employment and Income, notably the various stakeholders of the public agency in charge of employment (Agence Nationale Pour l'Emploi: ANPE), social partners (i.e., management and labor), and two organizations involved with these issues: the group called “Alternative Unemployment Figures” (Autres Chiffres Du Chômage: ACDC) and the National Movement of the Unemployed and Precariously Employed (Mouvement National des Chômeurs et des Précaires: MNCP).

1 An information system that offers abundant content, but does not allow a dispassionate and sufficiently detailed reading of social change

Despite the considerable quantity of information and studies available, the need for an overall reappraisal is felt for three reasons.

a) As unemployment and employment are among the most pressing concerns of the French people, **public debate is difficult**. Controversy surged in early 2007 when the discrepancy between sources led INSEE to postpone the customary “fitting” of the monthly figures from ANPE data to the annual results of the Labor-Force Survey for 2006.

The decisions taken subsequently have clarified the contentious topics:

- First, the monthly data produced by ANPE have been delinked from INSEE's Labor-Force Survey. They supply the number of job-seekers registered with ANPE at month-end, but no longer serve to determine “ILO unemployment.”
- Second, in December 2007, INSEE began publishing quarterly ILO unemployment data drawn from the Labor-Force Survey. In the new quarterly publication, INSEE now supplies, in addition to the ILO unemployment rate—which reflects a restrictive definition—an assessment of the “halo” surrounding unemployment and an estimate of self-described underemployment.

INSEE has released a series showing quarterly changes in unemployment since 1975, on a new basis harmonized with the conventions adopted by Eurostat. The Institute has also conducted in-depth studies to verify the reliability of Labor-Force Survey tracking of changes.

Meanwhile, DARES has sought to measure the impact of new ANPE management procedures on the decline in the number of ANPE-registered job-seekers at month-end.

Despite these advances, many questions still need to be answered, such as: Which indicator should take precedence? Is a monthly estimate meaningful? How should we, at the same time, interpret job-creation trends?

b) Social changes are hard to analyze

Despite the increase in information available, due to the growing number of producer entities, the data are hard to rank by order of significance. Sometimes, they are not examined in spite of their relevance, while new concepts—such as precariousness, flexicurity, and inadequate employment—remain blurred and are not properly “fed” by data from the statistical system.

c) Communication, too narrowly focused on a single indicator, can generate perverse effects

The result is a skewed communication process, where the employment rate gets less attention than the unemployment rate, where the labor market tends to be equated with ANPE registrations, where the latter's relatively moderate monthly variations take on an exaggerated importance, where notions such as unemployment duration, or length of employment in the firm, are practically absent from the debate.

Lastly, this fetishization of numbers can alter the conduct of employment policies if they are more preoccupied with their effect on the indicator—transformed into a sort of simplified political barometer—than with people's actual status and their effective, long-term integration into the economy.

2 Define the meaning of the different indicators with precision

a) The first priority is to ***avoid misunderstandings***: there is no such thing as a perfect indicator, or even an accurate indicator: all statistics contain errors—either measurement errors (because of inaccuracies in the information gathered), or sampling errors (which generate a margin of imprecision that should always be specified). Administrative data are more accurate, provided that they are exhaustive and checked. However, they can be significantly affected by changes in management methods.

We therefore propose that each indicator should be accompanied by an explanatory text clearly specifying what it covers, what it does not cover, and the technical, administrative or regulatory factors that may influence its variation.

b) Next, it is important to spell out what we want to know and why

In practice, unemployment and employment indicators have multiple uses. A given indicator may serve several purposes concurrently. Hence the need to spell out what we are seeking to observe in each case. We believe that indicators should meet four objectives:

- to assess the extent to which people's basic rights (which are evolving) are respected
- to provide the inputs needed for a proper analysis of short-term and structural economic developments
- to supply sufficiently reliable and usable data to employment-policy players, both national and local, and to social partners
- to provide good-quality inputs to public debate on employment, unemployment, and precariousness.

c) We need to take account of the diverse needs of different users

Besides the needs of national players and social partners, as well as researchers, we should pay special attention to the following:

- Needs for international comparisons, which require conformity with standard concepts—here, those of the ILO and European Union.
- The needs of local players, whose role is increasingly important.
- The needs of the media and public opinion. The public needs simple yet rich information that can be assimilated by non-specialists. To overcome this dilemma, we should be wary of the single indicator, and try to define, in each of the fields of analysis covered, a very small set of

relevant indicators (three, for example) that complement each other in a coherent manner and are liable to move either in the same direction or in opposite directions. In addition, we should clearly distinguish between indicators, analyses, and studies, all three being necessary and complementary for enlightening public opinion.

3 Reappraise the concepts used, deepening the present ones and designing new ones, to build a richer representation of reality

The concepts and notions from which indicators are built are social constructs, some well established, others at varying stages of development. The ILO supplemented its 1982 definitions of employment and unemployment¹ in 1998 with resolutions on underemployment and inadequate employment. The European Union has been looking at quality of employment and, more recently, at flexicurity. The United States publishes a monthly set of indicators covering the diverse statuses surrounding ILO unemployment. From these data, we have developed several potential guidelines.

a) Set up new indicators that fit into the ILO conceptual framework

A conceptual framework—that of the ILO—has gradually established itself as the benchmark for measuring employment and unemployment. It is a product of history and of international organizations' harmonization efforts. It comprises not only definitions, but also a method, namely, to start from what people say in surveys: what they wish for and, as regards unemployment, their actual job-seeking activity and their availability for work. This is the framework we should adopt for tracking underemployment and the other borderline categories of unemployment.

The “unemployment halo” comprises inactive persons who want to work, even those who are currently unavailable for work or are not seeking work. Underemployment² it includes part-time workers who want to work more and are available to do so, plus persons who have worked less than usual during the reference week for economic reasons (for example, owing to partial unemployment).

Instead of the concept of “inadequate” employment, introduced by the ILO in 1998, the Working Group prefers the term “unsatisfactory employment,” which better describes its subjective character. Indeed, the concept reflects the gap between a person and a job, more than the job profile. There are two approaches for measuring the aggregate. The labor market-approach is consistent with the ILO conceptual framework: persons with unsatisfactory jobs are those who say that they want to change jobs—for employment-related or personal reasons.³ That is the approach we propose. An alternative approach consists in specifying quality of employment in terms of objective standards for skills, earnings, working conditions, and so on. It requires specific investigations, which could be conducted under the aegis of the CNIS Task Force on Employment and Income.

b) Seek to evaluate precarious employment

Precarious employment is the object of strong social recognition, but it is ill-defined: sometimes the notion refers to a set of non-standard jobs (precarious jobs); at other times it refers to the individual life experience of persons in precarious employment, in some cases outside the workplace. Indeed, precariousness is tied to several other notions: poverty, instability, insecurity, unemployment, and exclusion. Used by labor unions, non-profit organizations, and politicians, precariousness has become a “political” category. The notion of precariousness has broadened significantly. This perpetuates a certain confusion and makes it hard to obtain precise measurements. Moreover, the notion varies from one country to another.

The Group felt that the strictly legal approach—which defines “precarious” jobs as jobs under fixed-term contracts or temporary-employment (temp) contracts—was inadequate. We therefore turned to the analyses by the Conseil de l'Emploi, des Revenus et de la Cohésion Sociale (CERC) on

¹ The ILO defines as “unemployed” a person who has not worked during a specified period, is actively seeking work, and is available for work at short notice.

² These data (unemployment halo and underemployment), which INSEE has included in its quarterly publication since December 2007, should be supplemented by retrospective series.

³ In the same spirit, we could also measure persons willing to work less or more (including overtime) so as to have an indicator of “non-voluntary” working time.

employment instability and insecurity.⁴ For a detailed scrutiny of the labor market's new operating modes, we need to use a dynamic approach. Given the rise of unstable and precarious jobs, we must think in terms of unemployment risks and the probability of return to employment. This requires regular use of indicators showing people's sub-annual transitions between statuses and indicators for tracking their multi-year paths. These are the best indicators for monitoring precarious employment as a social phenomenon and the diversity of individual trajectories and statuses that it encompasses.

In the same vein, it is important to view unemployment in terms of duration, and to flesh out the analysis by taking into account recurrent unemployment, i.e., interrupted by employment spells. This study largely remains to be developed.

At the same time, there should be an overall study of eligibility for unemployment benefits and the payment of basic welfare benefits (*minimas sociaux*), as well as ANPE support for different categories of job-seekers.

c) Better analysis of employers' labor requirements

In this field, the sources are varied (ANPE, UNEDIC, DARES, Eurostat) and few connections are drawn between them. Moreover, the concepts used—such as unfilled job offers—are not always clearly defined. Yet this is a major area of labor-market analysis, particularly for firms and job-seekers. Coordinated studies should be performed on these different notions, leading to a set of clearly defined indicators. The number of true vacancies, often the object of spectacular announcements in the press, should be officially estimated, and the reasons why they are unfilled should be given.

d) Improve the measurement of social and geographic disparities

Besides the conventional disaggregations by sex and age, it is essential to calculate a ratio of management-level unemployment to blue-collar unemployment, as requested in the report by the CNIS Working Group on "Living Standards and Social Inequality" chaired by Jacques Freyssinet. More generally, efforts should be made to disaggregate the chosen indicators using the most suitable criteria, without adding excessive weight to publications.

At the same time, regional and local needs should be analyzed in greater depth. For this purpose, the annual census surveys should include questions that will promote convergence toward ILO definitions of employment and unemployment.

e) Add new overall indicators to existing ones: an employment rate in full-time equivalent terms and an enlarged unemployment rate (comprising the "unemployment" portion of underemployment), also in full-time equivalent terms, would usefully supplement the ILO employment and unemployment rates.

f) Tap the relevant information sources

In terms of the ILO conceptual framework and Eurostat practice, the Labor-Force Survey appears to be the fullest and most appropriate survey available to measure unemployment and compile the related indicators. The quarterly results should therefore become the benchmark unemployment indicator. Consequently, we should continue to improve the survey (by enlarging the sample) and extend it to overseas *départements* (DOMs).

ANPE supplies the number of registered job-seekers, which is not a measure of unemployment. But as the Agency is the main institutional actor in the French labor market, its activity tells us about its market share and the efficiency of its management. ANPE indicators provide useful and specific information. At present, they are the only indicators available at detailed geographic levels.

The use of these data requires further expert assessment of the change in the number of registered job-seekers, by comparing it to external data and analyzing potential disturbances caused by changes in institutions and management rules.

⁴ The feeling of insecurity should be tracked on a regular basis.

INSEE should also be given the means to improve its system for measuring the number of employed persons, in particular by promoting a timelier use of information from employers' annual declarations of payroll data (DADSs).

4 Establish a consistent, well-ordered set of indicators to satisfy users' different needs

Many indicators already exist. Our proposals aim to supplement them and to organize them using three approaches.

a) Static approach: a sequence of snapshots

As regards unemployment, the quarterly benchmark indicator—the ILO unemployment rate calculated from the Labor-Force Survey—should be supplemented each year by unemployment rates for specific skill levels and an unemployment rate for the disabled. At present, the latter is estimated not annually but every five years or so. Underemployment, now measured quarterly, should be disaggregated by sex and age every quarter and by skill level annually. The unemployment “halo,” also estimated quarterly, should be disaggregated by sex and age every year; in addition, persons included in the halo should be classified according to whether they are discouraged or prevented from seeking work.

With regard to monthly ANPE data, the Group recommends that the title of the monthly DARES-ANPE publication, currently *Le marché du travail en...* (“The labor market in [name of month]...”) should be changed to *Demandeurs d'emploi inscrits à l'ANPE à la fin du mois de...* (“ANPE-registered job-seekers at the end of [name of month]...”). Instead of focusing on the present category 1 (registered job-seekers willing to work full-time, presently without work or working less than 78 hours/month), the Group proposes (1) placing greater emphasis on registered job-seekers engaged in active job search (present categories 1, 2, 3, 6, 7, and 8) and (2) amalgamating the current categories into category A (registered job-seekers out of work), category B (registered job-seekers experiencing heavily reduced activity [less than 78 hours worked/month]), and category C (registered job-seekers experiencing moderately reduced activity [78+ hours worked/month]), so as to make the classification more legible. The ANPE information system should be enhanced with new indicators on work contracts for job-seekers experiencing reduced activity.

The analysis of employment should be enhanced by (1) producing a quarterly breakdown of the employment rate into full-time employment rate and part-time employment rate, by sex and age; (2) producing an annual distribution of employment by type of work contract, by skill level, and by selected aspects of working conditions and indicators on length of employment in the firm (average and breakdown by length).

The Group also recommends the production, at least once a year, of an indicator of the number of employed persons who want to change jobs, as well as their distribution by type of contract, with a breakdown by sex and age and by reason for wanting the change.

b) Dynamic approach: tracking individuals over time

This field is little covered by indicators today. The Group proposes the following:

- annual publication, from Labor-Force Survey data, of the mean duration of unemployment and unemployment rates by length of unemployment (rather than a distribution of the unemployed by length of unemployment);
- development and introduction of an unemployment-recurrence indicator;
- annual publication of the mean length of ANPE registration for persons in categories 1, 2, 3, 6, 7, and 8 and their distribution by length of registration; supply the mean length of ANPE registration at the time of exit from the rolls; introduction of a recurrence indicator for ANPE registration;
- describe the full set of administrative reasons for entry into and exit from ANPE rolls; publish the accounting equation that links entry and exit flows to changes in the number of job-seekers; set up a quarterly survey to track reasons for ANPE registration along the lines of the ANPE-DARES “Leavers” Survey;
- with the aid of the Labor-Force Survey, prepare tables showing transitions from status in year n to status in year $n+1$; statuses should include employment (with breakdown by broad type of contract, if possible), unemployment, and inactivity, with breakdown by sex and age;

- study individual paths in the labor market to produce definitions of multi-year trajectories that would then be quantified on a regular basis, using different possible longitudinal sources.

c) How should one track instability, insecurity, precarious employment, and unsatisfactory employment?

The indicators proposed above, as well as existing ones, can track these concepts, each data user being free to emphasize a particular grouping in the list.

Employment instability, which characterizes employees' relationships with employers, can be measured by employment entry and exit flows derived from the DMMO-EMMO system.

The data that can be used to track employment insecurity (risk of losing one's job and difficulty in finding another one) are those that concern labor-market transitions, based on the Labor-Force Survey.

Labor-market paths or trajectories are also the indicators of choice for addressing precarious employment. At present, such tools are available only for tracking young people and are, in any event, complex to produce.

Without waiting for the implementation of a full system for monitoring trajectories, the Group suggests that analysts should use the existing indicators or the following proposed indicators to measure precarious employment:

- employment by type of work contract, subject to the standard caveats
- employment entry and exit flows by type of work contract, also subject to the standard caveats
- number of employed persons who want to change jobs, by type of contract
- year-to-year transitions, by type of work contract.

The number of employed persons who want to change jobs, classified by reason for wanting to change, is also an indicator of unsatisfactory employment.

5 Communication on these complex subjects should be better regulated

The necessary enhancement of the indicators should not make their dissemination more difficult, but rather improve it. The manner of communicating is as important as the indicators themselves. That is why, under the terms of our remit, we thought it useful to audition officials from two associations of journalists concerned, the Association of Social-Information Journalists (AJIS) and the Association of Economic and Financial Journalists (AJEF), and to devote a separate section of our Report to the topic.

a) Clearly explained publications complying with an announced schedule

The various publications should comply with a set of basic guidelines: their titles should describe their content as closely as possible; their front pages should give the main results in table or chart form, along with a brief factual commentary; if need be, attention should be drawn to distinctive features of the period covered. And users, the public, and the media should receive the indicators at regular dates notified sufficiently in advance.

We propose that the various websites concerned should refer to the same list of publications to help clarify the debate on the labor market. This would highlight what the Group regards as the key indicators, while helping the public to assemble them. The Group hopes that a consensus would develop as a result, not on the analysis of labor-market conditions, but at least on the tools for the analysis.

b) Communication with a clearer ranking of priorities, based on rigorous methods

The Group makes three recommendations on message content:

- There should be a clear distinction between ILO unemployment and ANPE-registered job-seekers, as the two statistics serve different purposes.

- It is important to track intermediate statuses between unemployment and employment, i.e., underemployment, as well as between unemployment and inactivity, i.e., the “halo.”
- In the longer run, it would be useful to pay closer attention to labor-market dynamics in order to get a better sense of difficult statuses—instability, insecurity, precarious employment, and unemployment duration and recurrence—using the indicators we recommend, which largely remain to be developed.

The Group believes that it would be desirable, for the quality of public debate, to reverse the current ranking of preferences, i.e., the focus on monthly results (which have little significance) to the detriment of structural or trend analyses (which are richer and more interesting). In our view, the most substantive commentaries should address, once a year, the annual publication of employment and unemployment statistics. Next in importance would be the analysis of quarterly results, which, examined alongside the annual figures, constitute a fairly reliable trend indicator. Information on monthly figures would rank only in third place.

The Group makes five proposals to put these suggestions into practice:

1. To ensure the proper use of the various concepts, on a common basis, the CNIS Task Force on Employment and Income could invite the statistical system to prepare an easily accessible glossary and a dictionary of the main indicators.
2. To improve the intermediation function between data producers and the media that use the data, information or training sessions could be held at regular intervals with specialized journalists. It would be useful to recall that the indicators should be interpreted primarily in trend terms; month-to-month changes, and even quarter-to-quarter changes, have little significance, as the variations commented upon are often smaller than the margin of uncertainty. The Group believes that the monthly figures should be downplayed somewhat, and commentators should exercise restraint—as is the case, for example, in the analysis and assessment of current economic conditions.
3. To allow media professionals to carry out their mission effectively, two requirements are essential. First, the embargo rules, particularly those set by international institutions, should be scrupulously complied with by all. Second, journalists should have the time and peace of mind needed to prepare their commentaries in the best possible conditions. For this, the statistical system must give them the information sufficiently ahead of the embargo date and hour.
4. To strengthen the statistical system's credibility in public opinion, attention should be paid to the various proposals designed to put statisticians' independence on a firmer legal footing.
5. In the same spirit, plans should be developed for dealing with crises, for example if an expected statistic cannot be produced, proves questionable, or falls victim to fortuitous circumstances.

List of Report proposals⁵

Proposal 1: Accompany each indicator with a brief commentary—for example, a box of text—specifying:

- what the indicator covers
- what it does not cover
- any technical administrative or regulatory incidents that may have influenced its changes during the period examined.

The text should be clear, readable, concise, and instantly visible to the reader.

Proposal 2: Try to define, in each field of analysis considered, a very small set of significant indicators (three, for example) that complement each other in a coherent manner and are liable to move either in the same direction or in opposite directions.

Proposal 3: Conduct fuller analysis of concept of “non-voluntary” working time with a view to constructing new indicators.

Proposal 4: Explore the measurement of employment quality and decent employment, in the CNIS Task Force on Employment and Income.

Proposal 5: Set up a system to analyze the feeling of job insecurity.

Proposal 6: Conduct studies on labor demand (in particular, job offers) to produce a set of clearly defined indicators, published in a visible, coordinated manner.

Proposal 7: Clarify reasons why job vacancies remain unfilled.

Proposal 8: Deepen analysis on regional and local needs for unemployment and employment statistics.

Proposal 9: If feasible, introduce questions in annual census surveys that will promote convergence toward ILO definitions of employment and unemployment.

Proposal 10: Make ILO unemployment, determined from the Labor-Force Survey, the benchmark indicator for short-term changes in unemployment.

Proposal 11: Continue improving quarterly Labor-Force Survey and extend it to overseas *départements* (DOMs), so as to produce the indicators recommended later in the Report.

Proposal 12: Publish annual unemployment rates by skill level; construct an unemployment rate for persons with disabilities; construct an enlarged unemployment rate in full-time-equivalent terms.

Proposal 13: Construct the longest possible series on underemployment; disaggregate underemployment quarterly by sex and age, and annually by skill level.

Proposal 14: Construct the longest possible series on the “halo” around unemployment; disaggregate series on the unemployment halo by sex and age annually; classify persons in the halo according to whether they are discouraged, prevented, or not seeking work (annually).

Proposal 15: Change title of monthly publication to *ANPE-registered job-seekers at the end of [month]*; state the nature of the data very clearly: what they cover, what they do not cover, and factors that may have influenced them; cease focusing on category 1, but place greater emphasis on registered job-seekers engaged in active job search (categories 1, 2, 3, 6, 7, and 8); consolidate current categories into category A (registered job-seekers out of work), category B (registered job-seekers experiencing heavily reduced activity [less than 78 hours worked/month]), category C (registered job-seekers experiencing moderately reduced activity [78+ hours worked/month]); enhance ANPE information system so as to construct new indicators spelling out types of work contracts held

⁵ The proposals are numbered by order of appearance in the Report.

by job-seekers experiencing reduced activity; cover overseas *départements* (DOMs) for selected broad categories, with seasonally adjusted data.

Proposal 16: Give INSEE the means to improve its system for measuring the number of employed persons; promote use of data from DADSs and shorten production times.

Proposal 17: Enhance the analysis of employment, by breaking down employment rate into full-time employment rate and part-time employment rate by sex and age; to this end, compute quarterly employment rate in full-time-equivalent terms by sex and age.

Proposal 18: Supply annual breakdown of employment by type of work contract and skill level, as well as indicators for specific aspects of working conditions and length of employment in firm (average length and breakdown).

Proposal 19: Produce an indicator—if possible, quarterly—of the number of employed persons who want to change jobs; produce annual indicators on employed persons who would like to change jobs, classified by type of contract, with a breakdown by sex and age, and by reason for wanting the change.

Proposal 20: Publish annual average unemployment duration and annual unemployment rates by unemployment duration (and not a breakdown of the number of unemployed by unemployment duration); conduct feasibility study on, and introduce, a recurrence indicator.

Proposal 21: Produce an annual statistic for the average length of ANPE registration of individuals in categories 1, 2, 3, 6, 7, and 8 and the breakdown by length of registration; supply average length of ANPE registration at the time of exit from Agency rolls; introduce a recurrence indicator to track persons who re-register at ANPE.

Proposal 22: Shorten publication times for DMMOs-EMMOs; continue expert analysis of the contributions and limitations of the various sources on hirings by type of contract and employment exits by cause (DADSs, DUEs, DMMO-EMMOs).

Proposal 23: Publish a full set of administrative causes for ANPE entries and exits, with working-day and seasonal adjustment for categories 1, 2, 3, 6, 7, and 8, and headings that are more clearly worded; publish the accounting equation linking entry and exit flows to changes in the number of job-seekers in categories 1, 2, 3, 6, 7, and 8; set up a quarterly survey to track reasons for entry into ANPE rolls—along the lines of the ANPE and DARES “Leavers” Survey.

Proposal 24: Compile tables showing transitions from status in year n to status in year $n+1$; statuses to include employment (with breakdown by broad type of contract, if possible), unemployment, and inactivity, with breakdown by sex and age.

Proposal 25: Study individual paths in labor market to produce definitions of trajectories that would then be quantified on a regular basis.

Proposal 26: Identify publications clearly.

Proposal 27: Release a publication schedule.

Proposal 28: Develop a better ranking of communication priorities, giving precedence to structural trends and downplaying monthly administrative data.

Proposal 29: Prepare a glossary of the different categories used and a dictionary of the main indicators.

Proposal 30: Hold information meetings for journalists; enforce strict compliance with embargo rules; give journalists enough time to prepare their commentaries in the best possible conditions.

Introduction

In discussions on March 8, 2007, at the CNIS Task Force on Employment and Income on the “postponement of the fitting of ILO unemployment estimates [to Labor-Force Survey data],” several participants called for a review of current procedures for measuring unemployment and employment, with the aim of gaining fuller knowledge of the realities of both phenomena. The principle of the project having been accepted, the CNIS Executive Committee meeting of March 21, 2007, considering that it was “essential to describe the complex and diversified labor-market statuses through a set of indicators on employment, unemployment, underemployment, and precarious employment,” asked for “a CNIS Working Group to specify the indicators that the official statistical system will need to produce and to examine ways of disseminating them.”

The Group’s remit, adopted by the CNIS Executive Committee meeting of June 25, 2007, underscores the scope and complexity of the task. To improve the information provided to the general public and facilitate the design and implementation of public policies, the Group was assigned the mission of “proposing a set of indicators” and “assessing the continuum of labor-market statuses and their changes.”

The objects of study notably include: job durations and characteristics, different approaches to unemployment and their linkage (ILO unemployment, self-described unemployment, registered unemployment, compensated unemployment, and so on), certain specific labor-market statuses (discouraged unemployed persons, persons not actively seeking work or not immediately available for work, and so on), length and recurrence of unemployment, underemployment due to shortened working time, “inadequate employment” (a concept that will need to be specified), instability, insecurity, and precarious employment.

The Working Group was asked to propose a limited number of indicators in each field of study in order to make the fields more legible while shedding the most possible light on the different areas of interest. The indicators should facilitate the preparation of overall analyses. As far as possible, they should allow a dynamic approach to the phenomena studied and to individual statuses, and allow comparisons with other countries.

The Group was asked to identify the proposals that could be applied rapidly and those requiring more time, as well as to give specifics on sources used, the frequency of publications, and procedures for releasing them.

The Working Group brought together those members of the CNIS Task Force on Employment and Income who had expressed an interest in the project, in particular the stakeholders of the public employment agency (ANPE), and social partners, along with two groups or non-profit organizations concerned by the topic: “Alternative Employment Figures” (ACDC) and the National Movement of the Unemployed and Precariously Employed (MNCP).

The Working Group held the first of its fourteen meetings on June 11, 2007. The official minutes, as well as the documents discussed at the meetings, are available on the CNIS website.

The present Report seeks to give an account of this collective undertaking. After a critical description of the current situation, the Report aims to clarify the goals to be pursued. For this, we examine the concepts used: to construct a richer representation of reality, existing concepts need to be elaborated further in some cases, while new ones need to be developed in others. We can then recommend a consistent, well-ordered set of indicators to satisfy users’ different needs. Lastly, the Report makes proposals to better regulate communication on the subjects covered, which are inherently complex.⁶

⁶ On these subjects, see also *Rapport d’information déposé par la mission d’information commune sur la mesure des grandes données économiques et sociales*, submitted by Hervé Mariton, Member of the French Parliament, especially Part II.

I - The current situation: an overall information system that offers abundant content, but does not allow a dispassionate and sufficiently detailed reading of social change

A review of the current situation shows, at first glance, a substantial amount of data, information, and analysis available. The press and other media, for their part, cover the field on a frequent, regular basis. Yet the need for an overall reassessment has become apparent, for at least three reasons.

a) A difficult public debate

The first reasons are broadly circumstantial, although they reflect a deeper problem: as unemployment and employment are an overriding concern for the French people, the publication of unemployment figures in our country takes place against a background of chronic conflict. One of the main causes of this—given the political importance of the figures—is the variety of approaches used to describe unemployment and its boundaries with inactivity or employment. The controversy peaked in early 2007, when a strong discrepancy emerged between (1) the results of INSEE's Labor-Force Survey, which did not show a significant decrease in ILO unemployment on an annual-average basis, and (2) the month-end figures for ANPE-registered job-seekers, which were falling rapidly. This discrepancy led INSEE to postpone the customary annual "fitting" of the monthly ANPE figures to the annual results of the 2006 Labor-Force Survey. The decision was designed to allow a careful analysis of the causes of the discrepancy—which could be due to either source or both—and to leave time for any necessary adjustments.

INSEE performed the analyses and started to publish them in summer 2007. Thanks to the decisions taken, controversial issues have been largely clarified and should no longer disrupt the public debate, at least in the near future:

- First, in keeping with the proposals of the IGF-IGAS report of September 2007 (for which the Working Group was not consulted—a decision that the Group regrets, while approving the report's proposals on this point), the ILO unemployment rate is no longer estimated provisionally every month from the change in the number of ANPE-registered job-seekers in categories 1, 2, and 3 (excluding workers experiencing reduced activity), a change later fitted to the annual figure provided by the Labor-Force Survey. In other words, the monthly ANPE data, now delinked from the Labor-Force Survey, supply the number of ANPE-registered job-seekers at month-end, but are no longer used to determine ILO unemployment. In December 2007, INSEE began to publish a quarterly ILO unemployment figure based on its continuous Labor-Force Survey (EEC). In other words, we now have a quarterly indicator for measuring unemployment from the Labor-Force Survey, and several indicators of ANPE-registered job-seekers at month-end (which differ in various characteristics). The indicators may move in different directions. In itself, this situation is not problematic in statistical terms, since the data describe different phenomena. Indeed, such divergences frequently occur in other countries, where surveys often yield monthly results as well.⁷

- Second, in this new quarterly publication, INSEE now supplies two figures in addition to the restrictively defined ILO unemployment rate: an assessment of the "halo" around unemployment and an estimate of self-described underemployment. These additional indicators are broadly consistent with proposals made by our Group in the course of its work. Ultimately, they will offer a more nuanced and more detailed quarterly picture of unemployment as measured by the Labor-Force Survey and of its variations. In this publication, INSEE also released a long-term series plotting quarterly changes in ILO unemployment since 1975, on a new basis harmonized with Eurostat conventions: "active job search" henceforth implies that persons surveyed have responded positively to at least one of 15 questions identifying a total of 15 different types of job-seeking activities. Merely staying on ANPE rolls without contacting an Agency counselor is no longer regarded as active job search. This simple change in criteria—along with other, less significant ones—has lowered ILO unemployment 0.7 points without modifying its trend. This clearly shows the impact of the choice of criteria and their interpretation on the construction of indicators and the need to produce analyses of their changes on a constant-definition basis. More generally, we should never forget that they are social constructs.

⁷ This change is being considered in the longer run (see below, Part III).

- Third, many investigations have been conducted to identify the reasons for the discrepancy observed. DARES measured the impact of the new relations between ANPE and job-seekers on the month-end number of ANPE-registered job-seekers. DARES published the analyses in August 2007, then discussed them at the meeting of the CNIS Task Force on Employment and Income of November 30, 2007.⁸ Meanwhile, INSEE performed an in-depth verification of the Labor-Force Survey and reported the results at that same meeting. These studies have shown that the Labor-Force Survey is reliable and that there is no reason to challenge the variations in unemployment tracked by the Survey.

The new criteria allow a long-term measurement of the ILO unemployment rate as tracked by the Labor-Force Survey. Everyone can therefore see and interpret the long-term profile of French unemployment (again, under the ILO definition) since 1975 (when it stood at 3%), its nearly uninterrupted rise until Q1 1987 (9.1%), its lows (7.8% in Q2 1990, 9.9% in Q1 1995, 7.7% in Q3 2001, 7.5% in Q4 2007), and its highs (10.8% in Q1 1994, 10.9% in Q2 1997, 9.1% in Q2 2006). These changes should not conceal the magnitude of our unemployment, as well as the road still to be traveled in order to return to a level comparable to that of our neighbors.

While the ILO unemployment concept would be sufficient for the purpose (see Part III), it would be interesting, for example, to supplement the series by measuring the simultaneous long-term variations in ILO unemployment, the “halo” surrounding it, and the underemployment that extends it.

In other words, while major progress has been achieved in the wake of what may properly be described as the crisis of unemployment figures, many answers must be provided, notably in the communication sphere. Which indicator should take precedence: the monthly indicator of registered job-seekers based on administrative sources, or the quarterly indicator reflecting the international definition of unemployment and based on the Labor-Force Survey? Does a monthly assessment make sense? Is a composite indicator conceivable? What is the correct interpretation of job-creation data when the phenomenon is particularly rapid as in 2007? These are just some of the questions worth asking.

b) Social changes that are hard to analyze

The second reason for a comprehensive review is the major transformation of work due to economic and technological change. This development warrants the implementation of a clear, consistent, and well-ordered system of indicators that makes it possible both to grasp the nuances of reality and to act on it so as to correct injustice.

In this respect, we are obliged to note the contrast between:

- **The proliferation of available information, due to the increase in the number of producer entities and to their various communication efforts.** Two new research directorates were set up under the aegis of the then Ministry of Social Affairs and Employment: the Directorate for Research, Studies, and Statistics (DARES) in 1993 and the Directorate for Research, Studies, Assessment, and Statistics (DREES) in 1998. If we take into consideration the periodical publications by INSEE (*Informations Rapides*, *INSEE Première*), DARES (*Premières Informations*, *Premières Synthèses*), DREES (*Études et Résultats*), ANPE (*Essentiels*), UNEDIC (*Unistatis*), ACOSS, and the European Union (EU), hardly more than a few days go by without the release of important information on employment and the labor market.
- **The difficulty of ranking these different data, and giving them meaning, for lack of a comprehensive assessment.** Many investigations and studies have been carried out on all these subjects, but without the clear emergence of an overall mapping of relevant or important indicators.

⁸ DARES has evaluated the impact of selected management-related factors on the decrease in the figures of ANPE-registered job-seekers in categories 1, 2, and 3 excluding workers experiencing reduced activity. Such factors include stepped-up support programs for job-seekers: newly-registered applicants now have a monthly interview starting in their fourth month of enrollment. The factors that DARES has been able to measure—the list is not exhaustive—have intensified the decline in the number of job-seekers in categories 1, 2, and 3 excluding workers experiencing reduced activity between 2004 and 2006 from 110,000 to 150,000 persons, out of a total decrease of 440,000 persons observed in the same period.

Indeed, there has been no comprehensive appraisal of the indicators since the Malinvaud (1986) and Dubois and Lucas (1991) reports.

Yet not all important subjects are addressed, and serious gaps are visible. New and relatively hazy concepts are not “fed” properly by the statistical system, because they have not been adequately defined. One example is precariousness, a notion discussed at length by the Working Group (see Part III). Similarly, the debates over inadequate employment, decent employment, quality of employment or flexicurity are neither clarified nor supported by satisfactory indicators. Many data available in the Labor-Force Survey, in ANPE and UNEDIC files, or in the various household “panels” tracked on an ongoing basis are exploited insufficiently, if at all. Yet they would provide fuller details on important phenomena such as the recurrence of unemployment or inequality in individual trajectories.

c) Communication too narrowly focused

As a result, in our media-oriented society—which, in the case of France, is characterized by a particularly strong social sensitivity—communication tends to focus on “headline” indicators. These simplify reality to the point of exaggeration, and overstate certain aspects to the detriment of others, a situation that can create truncated perceptions.

The first consequence is an often unbalanced set of messages: for example, the employment rate gets less attention than the unemployment rate; the labor market tends to be equated with ANPE registrations (whereas these represent only a portion of the labor market, and a variable portion at that); the monthly variations in ANPE registrations, despite their relative insignificance, assume undue importance; important concepts such as length of unemployment at a given date, or length of employment in the firm at a given date, are practically absent from the discussion.

The second consequence is a risk of confused or erroneous communication. Today, the most closely tracked indicator is the number of ANPE-registered job-seekers at month-end, itself published in a standard format out of concern for objectivity. But the indicator proves hard to interpret, for the publication abounds in information that is not ranked by importance. This is the case, for example, with *Premières informations sur le marché du travail* (“Early information on the labor market”), published by DARES and ANPE on the eve of the last working day of each month, which offers seven pages of extremely rich and comprehensive information, preceded by a one-page summary. The document compiles information variously covering one-month, three-month, and twelve-month periods, concerning certain categories of ANPE-registered job-seekers (mostly categories 1, 1+6, and 1+2+3 excluding workers experiencing reduced activity, occasionally with distinctions by age or length of unemployment). Non-specialists may well have trouble finding their way around. Monthly variations are not very significant, especially when the data is presented by category, and this sometimes produces press articles that are hard to read or interpret. And when the data diverge, commentators may overemphasize a trend that is inconsistent with the one that would be identified by taking conventional standards into account.⁹

In fact, the journalists auditioned by the Group deplore this situation. It is all the more challenging for them as they receive the figures just before the lifting of the embargo. Moreover, in the past, some journalists were informed ahead of time, if not of the figures themselves, at least of the trend. To assess these criticisms, we refer readers, for example, to the remarks by the Chairman of the Association of Social-Information Journalists and the Chairwoman of the Association of Economic and Financial Journalists reproduced in Appendix IV of the French edition of this Report. Admittedly, there is nothing to stop journalists, after the “shock” of the prime-time news show, from revisiting the topics with background articles. That is often the case, particularly for those journalists who are not constrained by daily publication deadlines. Daily newspapers however, are reluctant to grant specialized journalists fresh space for a fuller analysis of “yesterday’s news.”

As a result, the political debate is difficult and often confused. When indicators diverge, the debate turns into a discussion on the indicators themselves, which prevents a shared and nuanced

⁹ A good example is the press comments following the publication of the August 2007 figure: most articles talked about rising unemployment, for the number of registered job-seekers in category 1 had increased, and that is the figure mentioned first in the summary; if journalists had looked, three paragraphs down, at registered job-seekers in categories 1, 2, and 3 excluding workers experiencing reduced activity—the category closest to the ILO criteria—they could just as well have announced that unemployment was falling.

assessment of current developments. Lacking the adequate tools, civic debate thus becomes more complicated.

The various sectors of public opinion may well find it hard to assess the situation with equanimity, shifting from exaggerated pessimism (lamenting the “end of work”) to an optimism alas swiftly negated by reality (hailing the “end of unemployment”). In any event, it seems that in periods of labor-market improvement, public “feeling” has been far less clearcut than what the ILO unemployment indicator showed. The gap observed between public sentiment—to the extent that we can measure it—and the indicators on prices and purchasing power also exists with regard to employment and unemployment. The gap forms parts of the same process that has led to calls for a general examination of possible “well-being indicators” more attuned to public perceptions. Indeed, our Report could provide one contribution, among others, to this necessary review. Failure to conduct such an appraisal could undermine the very credibility of the statistical system.

Lastly, the fetishization of unemployment figures can alter the conduct of employment policies themselves. They may end up being more preoccupied with their effect on the indicator—transformed into a sort of simplified political barometer—than with people's actual status and their effective, long-term integration into the economy. In other words, there is a risk that quantity will trump quality, that the short term will prevail over the long term. For example, let us take the increase in the number of subsidized part-time contracts, unsupported by training programs, but with an immediate impact on unemployment under the current ILO definition. Unfortunately, this alternative may be preferred to a smaller number of better-supported jobs of the same type, which would have led to more durable integration for an identical fiscal cost. In other words, indicators are not only representations: they also influence action and may entail sub-optimal solutions in the long run. Our remark also applies to the future. If we refer to the ongoing discussions, the gradual elimination of the waiver of job-search and ANPE-registration requirements for persons receiving the RMI or RSA allowances would, by definition, cause an instant rise in ANPE-registered job-seekers. By contrast, the increase in unemployment would be much smaller in the results of the Continuous Labor-Force Survey (EEC), since it includes persons who are already seeking work. The flexibility that a government will grant to employment policies will depend on whether the indicator deemed more relevant is the number of ANPE-registered job-seekers at month-end (DEFMs) or ILO unemployment determined from the EEC. In this respect, the use of relevant and well-defined indicators, and clearer, more nuanced, communication are among the prerequisites for ensuring greater efficiency of public policies in helping to achieve good-quality full employment.

To sum up, this analysis shows that our country does not extract all the potential benefits that it could draw from the richness of its statistical system and the quality of its staff, both for the quality of public debate and for employment-policy implementation. In any event, the difficulties analyzed show the directions in which we can move to improve the system's efficiency. But this assumes a prior reassessment, with some perspective, of the significance that we should attach to indicators.

II - Goals to pursue: define the meaning of the different indicators with precision

Remedying the situation just described requires several steps. First, we need to think about the meaning we assign to different indicators, i.e., define what we want to know, why we want to know it, and for whose benefit. Only when we have completed this “clearing operation” and returned to original purposes can we continue our examination of the statistical concepts used (Part III), in order to arrive at specific proposals (Parts IV and V).

To spell out the meaning of indicators involves the following succession of steps: asking ourselves about their impact so as to avoid all misunderstandings; indicating the different goals pursued; taking user diversity into account; and adjusting to the constraints of modern communication.

a) Avoid misunderstandings: there is no such thing as a perfect indicator

No indicator is neutral: it always seeks, explicitly or implicitly, to highlight a specific dimension of reality or to measure the degree to which a value system is applied. We should never lose sight of this relativity of indicators, their inevitable gap with the complex diversity of facts. An indicator is always a partial representation of reality, not reality itself. There is no such thing, therefore, as a complete indicator.

Nor is there such a thing as an accurate indicator. All statistics intrinsically contain errors. These can be of two kinds: (1) measurement errors due to potential inaccuracies in the information gathered; (2) for sample surveys, sampling errors due to the fact that the surveys question only certain persons and are not exhaustive. Surveys thus have a margin of imprecision, which should always be mentioned.¹⁰ Administrative data, thanks to regulations, are more accurate—provided that they are exhaustive and checked. But the enumerations carried out by official bodies generally do not conform to the definitions of statistical categories. That is because such counts are designed as tools for managing administrative actions, such as complying with an official requirement, or controlling access to an entitlement or service. Changes in management methods or in regulations can significantly influence the figures observed. In sum, administrative data require major processing to make them consistent with statistical categories before they can be used as statistical information.

Hence a proposal that may seem a modest but is of crucial importance, and should be strictly implemented.

Proposal 1

Accompany each indicator with a brief commentary—for example, a box of text—specifying:

- *what the indicator covers*
- *what it does not cover*
- *any technical administrative or regulatory incidents that may have influenced its changes during the period examined.*

The text should be clear, readable, concise, and instantly visible to the reader.

We are not suggesting that an attentive and patient reader today cannot accurately measure the scope and true significance of indicators. Most publications do contain precise, detailed methodological sections with the necessary information. But they usually appear at the end of the publication and tend to be aimed at specialists. By contrast, the hurried or non-specialist reader may easily be misled and fail to put the information supplied into adequate perspective.

It will be noted that this proposal is general in scope and not confined to employment and unemployment indicators.

¹⁰ The Continuous Labor-Force Survey's margin of imprecision on the quarterly ILO unemployment rate is estimated at +/-0.4 points. For the quarter-to-quarter change in the unemployment rate, it is estimated at +/-0.3 points. An analysis covering a medium-term period is, however, reliable for the imprecision is due to developments that can shift the figure in either direction. Some caution is therefore in order when analyzing quarterly changes (see also our discussion in Part III).

b) Spell out what we want to know and why

Unemployment and employment indicators actually have several uses and serve different purposes that are often intermingled, causing confusion. Admittedly, a single indicator can be used for several purposes at once. If so, however, we should spell out what we are trying to see in each case, and from what particular angle we are examining a phenomenon. This implies that we should define our goal as clearly as possible.

We believe that the existing indicators and the recommended indicators should meet four objectives:

- to assess the extent to which people's basic rights (which are evolving) are respected
- to provide the inputs needed for a proper analysis of short-term and structural economic developments
- to supply sufficiently reliable and usable data to employment-policy players, both national and local, and to social partners (employers and employees)
- to provide good-quality inputs to public debate on employment, unemployment, and precariousness.

1) Evaluate the degree to which basic rights are respected

According to the Preamble of the present French Constitution (1958), which refers on this point to the Preamble of the Constitution of October 27, 1946, "each person has the duty to work and the right to obtain a job" and, on the other hand, "any human being who, on account of his or her age, physical or mental condition, or the economic situation, is incapable of working is entitled to obtain an adequate livelihood from the community." The scale and duration of unemployment have exacerbated the importance of assessing people's status with respect to these rights.

The goal here is to measure the deprivation of a right: people want to work and cannot find what they want, to which they are legitimately entitled. It is not to search for the causes, which may be of various sorts. However, the growing demands of modern society lead us to go beyond a quantitative deficit and extend our scrutiny to the qualitative dimensions of the problem—without losing sight of the inequalities of status that may be due to factors such as sex, age or skill levels.

Hence the need to examine the situation under four angles:

- How many persons want to work (among those who are not working), or increase their working time?

This involves a qualitative indicator, which can be refined. Indeed, we can fairly reasonably argue that the intensity of deprivation depends on whether:

- the person is out of work or already employed, even in a job of inadequate duration—in short, if the person is in full-time unemployment or in underemployment (or part-time unemployment). The two indicators are complementary. Today, it seems desirable to avoid any split between unemployment and underemployment, and to try to measure the "continuum of statuses" separating employment from unemployment.
- the person has been unemployed for a long time (which, in some cases, leads to the "discouraged worker" phenomenon) or for a short time. This issue of the length of unemployment is relatively neglected in the debate, despite the availability of much information on the subject that could be exploited more fully.
- the person is seeking full-time, part-time or temporary work. The existing data on the subject are generally examined more in terms of efficient labor-market management and the supply-demand equilibrium than in terms of people's needs.

One could also address the issue of measuring unsatisfied demand for overtime, but it could not be equated, at this stage, with deprivation of a right. We would then also need to consider measuring demand by people who want to work less (and earn less), preferring time to income (unlike the previous category), but cannot or dare not do so. These persons are, so to speak, in "overemployment," the symmetrical counterpart to underemployment.¹¹

¹¹ This information is available in the Labor-Force Survey.

- How many persons are experiencing precariousness with regard to employment?

The notion of precariousness, which has become very prominent in the public debate, falls within our remit. At this stage, it is not clearly defined, and we shall elaborate it substantially in Part III. For now, let us note that we can approach it from several angles. The first angle is unemployment: length of unemployment, duration of unemployment at the time of return to employment, the probability of finding a new job as measured retrospectively. The second angle is employment, i.e., measuring the length of employment in the firm: average length, and by age category and skill level. The third angle is the interval separating employment from unemployment, and unemployment from employment: we can illustrate the recurrence of unemployment and labor-market segmentation. The fourth angle concentrates on legal aspects, emphasizing the shortness of the work contracts involved. For now, let us point out that precariousness is a concept still to be constructed in statistical terms.

- How many persons are not satisfied with the quality of their jobs?

At least two factors have led both the ILO and the EU to raise this problem—admittedly an old one, but which had not been formulated in these terms—and to move toward the concept of “a right to a good job.” On the one hand, there was a concern to prevent the legitimate commitment to combat unemployment from causing a deterioration in the quality of jobs, and an underemployment of skills—in other words, reconciling quantity and quality of employment (“more and better jobs”). On the other hand, there was the goal of drawing attention to changes in working conditions, or earnings, when the trend is unfavorable to employees. However, the different concepts (inadequate employment, adequate employment, quality of employment) are not yet stabilized, and neither are the means of measuring them. The methods can be subjective (via a survey) or objective (by observing a situation). Although the subject lies slightly outside the scope of our remit, we have devoted a separate section to it in Part III below.

- Do persons non-voluntarily without employment or in underemployment have “an adequate livelihood”?

The question here is not to judge the adequacy of people’s resources or to measure them—a task outside our remit—but to specify how and through which channels the resources are delivered. The channels are diverse: unemployment insurance, “solidarity” allowances, and the minimum guaranteed income (Revenu Minimum d’Insertion: RMI). Each offers different financial incentives for returning to employment. These mechanisms are not covered in a comprehensive publication. The French government’s plan for an earned income supplement (Revenu de Solidarité Active: RSA) provides another argument for setting up a system to provide homogeneous, non-fragmented information on a regular basis.

There are some fairly heavy overlaps between these different approaches, for example between underemployment and inadequate employment, or between quantity, quality, and security of employment, which the concept of flexicurity seeks to emphasize. This apparently rules out a total indicator of people’s satisfaction with their work, but does not rule out the possibility of looking for composite indicators on specific subjects (see below).

2) Allow relevant analysis of economic and labor-market developments

This approach may overlap with the previous one, and may use the same indicators but in another manner, for the purpose is different.

Again, we should consider several approaches, aimed at several equally legitimate objectives. We can distinguish between the following:

- Detailed analysis of economic conditions, for macroeconomic adjustments and monetary policy. For example, a timely measure of net job creation or destruction is important for this purpose. However, we should point out that the “fresher” the information, the greater the risk that it will later undergo several revisions.
- The economy’s capacity to make efficient structural (long-term) use of its labor resources. This capacity should be tracked closely using data on the employment and activity rates. Symmetrically, the analysis of the “discouraged” or “prevented” unemployed supplies

interesting indications on the available and non-utilized labor force, in addition to unemployment.

- The economy's ability to remodel employment swiftly in response to shocks and the many changes affecting it; this too must be measured and assessed.
- The measurement of unfilled job offers and the mean time required to fill offers, or the measurement of vacancies. This classic—indeed harrowing question—remains unsolved: there is a tendency to confuse the stock of job offers posted at ANPE, which gradually find takers and are replaced by others, and job offers that are not filled within a reasonable length of time and are dropped or withdrawn. Yet there would be a possible double benefit to removing this deficit. Likewise, it would be interesting to find out why these unfilled genuine job offers do not find takers. This requires a clarification of the notion of job offers and a precise description of their links with the labor market, training, and quality of employment.

3) Provide adequate instruments for the different players in national and local employment policies and for social partners so that they can formulate their action plans and assess them accurately

The two preceding objectives address this need—but only in part. Employment-policy players also need management tools for evaluating their action, forecasting its cost, and analyzing its effects. Increasingly, under the LOLF,¹² these management tools also serve to establish performance indicators coupled with quantitative targets. Normally, therefore, the statistical system should produce the necessary information. But it is essential that such information be viewed as what it really is, i.e., management indicators and not labor-market or personal-satisfaction indicators.

4) Provide good-quality inputs to civic debate and supply good-quality arguments for public discussion

This objective is obviously essential, but should not be confused with the previous ones. It is partly relevant to the debate on measuring the degree of actual access to basic rights, to which public opinion is naturally sensitive. But it also seeks to assess the quality and efficiency of official action and enable citizens to make their own judgments. For this, citizens need the following:

- First, they should be able to objectively measure changes, rather than levels, over a long enough period; but they also need simple, relatively comprehensive indicators—or even composite indicators, if these can be developed; and they need inequality indicators.
- Second, they need specific assessments of the effects of public policies that are enacted by central and local government, whose responsibility is thus clearly at stake; these assessments fall within our field of inquiry.

c) Allow for the diversity of recipients of information, who do not necessarily have the same needs

Employment, precariousness, and unemployment indicators not only serve different purposes; they also have multiple recipients, whose demands are not identical. The construction of the set of indicators that we recommend must take this heterogeneity into account. What does it consist of?

1) International comparisons

International institutions have sought to introduce standard concepts that can later be applied in each country on foundations that are as homogeneous as possible. In the area we are examining, it is the ILO that has historically played a central role, and that supplies the basic conceptual frameworks. But the frameworks evolve, while other bodies that seek to coordinate national policies—for example, the OECD and the EU—are making contributions of their own.

For our country, these frameworks inevitably shape the guidelines of a large portion of the statistical system concerning labor and employment. Today, no country can dispense with the enumeration of the “ILO unemployed,” defined by three fundamental criteria: out of work, actively seeking work, and available for work. In itself, the implementation of these criteria is not necessarily homogeneous and leaves room for interpretation. And matters become more complicated when we want to describe

¹² Loi Organique relative aux Lois de Finances: French Constitutional Bylaw on Budget Acts.

situations in greater detail. If we are not careful, the bases for comparison are not homogeneous. For instance, should the employment rate or activity rate—championed by the Lisbon Agenda and the EU—be “fitted” to the ILO concept (in which case, an hour’s work during a reference week is sufficient for a person to be classified as “employed”)? Or should it be measured, concurrently or additionally, on a full-time equivalent basis? We can easily see that each indicator has its own value, and that it is dangerous to restrict ourselves to a single one. The old legal saying about judges seems to have found a new application here: a unique indicator is an iniquitous indicator! In any event, the conclusion to be drawn here is that we are necessarily dealing with an changing construct.

2) Researchers

Researchers and persons in charge of assessments, for their part, need as large a set of indicators as possible; they even want direct access to the files containing the data used to prepare the indicators. These players control the nature of the information gathered. They have the occupational availability and the competence needed to process the information in a novel manner. And they seek to explore new paths toward a better understanding of economic and social phenomena, and to establish new cross-sectional channels. Therefore, they do not fear multiplicity and, if anything, are apprehensive about simplification. As their contribution is essential, we must grant them special pathways to the information.

3) National players and social partners

This category, whose needs are self-evident, has been discussed above and requires no further comment.

4) Local players

Their needs are growing in this day of decentralization, “deconcentration,” and “localization” of employment policies. The problem is that the concepts of unemployment, underemployment, and inadequate employment have been developed for a national framework. This raises two questions: Can we apply them at the local level? And if so, in what way, given the excessive cost of adding surveys, and given that the biases due to the use of ANPE statistics are likely to be even greater at local level than at national level? What contribution can we expect from the annual census surveys, which allow a smaller set of questions to be administered to a larger sample of persons? Should we then develop specific regional or local indicators, and which ones? This discussion has barely begun.

5) Public opinion

To understand and judge the situation, public opinion needs information that can be assimilated by non-specialists, that strikes a balance between simplicity, richness, and relevance, and that consequently fosters a good-quality debate. The use of a headline indicator, with all its attendant risks, is not a solution for satisfying public opinion. Neither is the set of indicators that are hard to read and a source of confusion. The most fruitful approach seems to be to supply the public with periodic overall analyses, or composite indicators when possible, or two—or even, preferably, three—interlinked indicators for each field covered. These indicators may either contradict one another or move in the same direction, giving the trend all the more validity. INSEE’s new quarterly publication, which highlights ILO unemployment, its surrounding halo, and the accompanying underemployment, thus allows a better reading of reality by increasing the significance of changes in ILO unemployment.¹³ Other examples can surely be developed. The advantage of such an approach is that it allows the introduction of complexity without blurring the meaning. In any event, we must draw a crucial distinction between indicators, analyses, and studies, all three being necessary and complementary for the adequate enlightenment of public opinion.

Proposal 2

Try to define, in each field of analysis considered, a very small set of significant indicators (three, for example) that complement each other in a coherent manner and are liable to move either in the same direction or in opposite directions.

¹³ A decrease in ILO unemployment does not have the same significance if it is accompanied by a rise in underemployment or by a correlative decrease of the latter.

6) The media

The media are the channel through which public opinion accesses not only the indicators, but also their interpretation. It is therefore essential to ensure that the media can prepare their commentary in optimal conditions. That is why the Working Group felt the need to devote a section of its Report to the subject.

More generally, in today's media-centered society, the conditions in which the indicators are communicated have become almost as important as the production of the indicators themselves. This surely poses a new challenge for the statistical system as a whole, particularly in the controversial field of unemployment and employment.

The first prerequisite of good communication is the use of "clear terms to designate different concepts," as the Chairwoman of the French Statistical Society (SFS) recommends. Part III is devoted to the topic. We can then move toward the implementation of a consistent, well-ordered set of indicators capable of satisfying different users.

III - Reappraise the concepts used, deepening the present ones and designing new ones, to build a richer representation of reality

Part III, which centers on concepts, summarizes the discussions that preceded our proposals for indicators. It also presents the Group's recommendations for improving knowledge in areas hitherto inadequately studied, in which no indicator can be proposed for now. It does not include the proposals for indicators, which are assembled in Part IV.

The French statistical system developed in interaction with changing economic and social conditions, and in response to demands from players and institutions in charge of managing unemployment and employment. France has adopted and implemented the definitions of employment and unemployment recommended by the International Labor Office (ILO). The EU fostered a strong harmonization of the statistical system, which was needed for policy coordination. However, since the crisis of 1975, economic developments have generated risks for individuals as well as social and political stakes that require a diversification of unemployment and employment indicators. This justifies an examination of the concepts on which these indicators are based.

a) Employment, unemployment, underemployment, and precarious employment are changing social constructs

Employment and unemployment are already well-established notions. That is not the case of underemployment and precarious employment, in varying degrees: for precarious employment, the definition is somewhat blurred but social recognition is high; for underemployment, the definition is precise but, as a social construct, only the bare outlines are in place.

In terms of vocabulary, unemployment historically preceded employment. Since the late nineteenth century, the term "unemployment," in its current sense, was gradually adopted to designate persons out of work for a significant length of time. The notion of "assisted unemployed person" (*chômeur secouru*) (we would now say "unemployed person receiving benefits": *chômeur indemnisé*) emerged between the two World Wars and the number of such persons depended on the rise of compensation funds. After World War II, France continued to enumerate the "assisted unemployed," and also kept track of persons registered as job-seekers at "labor offices" (*bureaux de main-d'œuvre*). In 1958, employers and unions (the "social partners") negotiated the establishment of a jointly-run unemployment-insurance system to supplement government-funded benefits. They set up institutions to manage the system: "Societies for Employment in Industry and Commerce" (Associations pour l'Emploi dans l'Industrie et le Commerce: ASSEDICs) and, at the national level, the "National Inter-Occupational Union for Employment in Industry and Commerce" (Union Nationale Interprofessionnelle pour l'Emploi dans l'Industrie et le Commerce: UNEDIC). From 1967 onward, the newly-founded National Employment Agency (Agence Nationale Pour l'Emploi: ANPE) opened local offices, which gradually replaced the *bureaux de main-d'œuvre*, offered nationwide coverage, and engaged in more vigorous programs for prospecting job offers from firms and for intermediating between labor supply and demand.

The "unemployment" category emerged with the rise of paid employment in its current definition. Employment is, essentially, the fact of holding a paid occupation, a job, a function, a position. With the dissemination of Keynesian ideas on full employment, "employment" took on a macroeconomic meaning. Previously, one would speak of "work" or "workforce," of people holding jobs, but not of "employment" in the singular. Employment is a social construct linked to the role of the State; it is an action variable of government policy to ensure that economic growth is as strong as possible, and that unemployment is reduced to a minimum. In 1975, the French Labor Ministry set up a unit in charge of employment: the Délégation à l'Emploi. Subsequently, the abrupt end of the steady economic growth that France had enjoyed since the end of World War II and the rise in unemployment have turned employment into a major political issue. This has generated an abundant series of specific measures to aid employment. Society, however, remains structured by the pre-eminence of paid employment, particularly stable salaried employment in the private sector and government, which has become the "model."

The available sources for tracking unemployment and employment have gradually been enriched and diversified. The initial sources consisted of population censuses and, for unemployment, administrative data on the assisted unemployed and on jobs wanted and unfilled vacancies. In 1946, the Labor Ministry launched the Survey on Labor Activity and Working Conditions (*Activité et Conditions d'Emploi de la Main-d'Œuvre: ACEMO*). It tracked short-term employment trends on a sample of local units (establishments) with more than 10 employees. In 1951, INSEE launched Labor-Force Surveys (*Enquêtes Emploi*), using household samples, to monitor job structure and unemployment variations between two censuses. Since 1968, the Institute has conducted the surveys every year in the same period (as a rule, in March) and has enlarged the samples. Since its founding, ANPE has been compiling statistics on jobs wanted and vacancies, and periodically analyzes job-seekers' status.¹⁴ Yet, in the early 1970s, the information on employment was still inadequate. The French government planning office (Fifth and Sixth Plans), followed by the National Statistical Council, requested a major build-up of the information system. This had two consequences. The first was the expansion of surveys, notably the Labor-Force Survey and Education and Occupational Skills Survey (*Formation et Qualification Professionnelle: FQP*). The second was the growing use of administrative sources: annual or sub-annual data on paid employment gathered at the same time as the collection of social contributions by UNEDIC and URSSAF; income and employment information extracted from tax returns and transmitted by the Directorate-General for Taxation (*Direction Générale des Impôts: DGI*).¹⁵ Another consequence was the redesign of classifications of economic activities and of occupations and socio-occupational categories, and the launch of new studies. For example, in the late 1970s, the "Education-Employment Assessments" (*Bilans Formation-Emploi*) replaced the analyses on education-employment links previously conducted as part of the government planning process.

The need emerged for more precise definitions and a harmonization of data produced. For instance, employment defined in terms of positions and measured in the workplace is not identical to employment of individuals enumerated in a census or surveyed at home. Questions began to be raised about the differences—in terms of absolute numbers and of rates of change—between jobs wanted at month-end, unemployment measured in the population census, and unemployment estimated via surveys.¹⁶ The conceptual framework for defining unemployment (and employment) started to evolve from a strictly French definition¹⁷ to the international definition, introduced in the Labor-Force Surveys in 1975. This provided a set of basic definitions that were as factual as possible,¹⁸ but they coexisted with those derived from administrative sources. As the definitions remained diverse, and as the sources available varied from one field to another as well, it was necessary to ensure their consistency *ex post*—a need that persists today. This exercise—long referred to as the "zero-summing" (*bouclage*) of the active population, employment and unemployment¹⁹—is now combined with the forecast of these variables in INSEE's quarterly economic outlook (*Note de conjoncture*).

b) From definitions to practice: toward a degree of international harmonization

At the international level, institutions have taken on the task of harmonizing concepts. For employment and unemployment, the key player has been the International Labor Organization (ILO). The definitions that have gradually been adopted are those of the International Labor Office (also ILO).

¹⁴ To perform its functions of intermediation, hiring, and placement of job-seekers, ANPE maintains a list of job-seekers who apply for its services, and collects job offers.

¹⁵ See below, j), "Available sources."

¹⁶ Once different institutions start producing unemployment and employment figures, these data lose the consistency they had when a single source (here: the population census) was the centerpiece of the entire statistical system. Moreover, the handling of unemployment and employment by institutions helps to harden their boundaries. Institutional rules have an impact on the definitions of the categories and even, to a certain extent, on the way in which people classify themselves in surveys and censuses.

¹⁷ Population available seeking work (French acronym: PDRE), "employed persons" in the census definition, marginal population available seeking work, and marginal economically active persons.

¹⁸ These definitions are "factual" for they are based on the responses by persons surveyed to specific questions (work during reference week, job search in four weeks preceding survey, availability for work in following 15 days) and not on their direct classification in the broad categories of employed, unemployed, and economically inactive persons.

¹⁹ See Edmond Malinvaud, *Sur les statistiques de l'emploi et du chômage: Rapport au Premier Ministre*, Documentation Française, July 1986.

1) ILO definitions of employment and unemployment (1982)

Under the 1982 definitions, employment (or currently active population) includes all persons who have worked at least one hour during the reference period, plus persons who have not worked but have maintained a formal attachment to their job.²⁰ The unemployed comprise persons without work (without a job, as defined above), available for work during the reference period, and seeking work, i.e., who have taken steps in a specified recent period to seek employment. Persons without work and available for work, but who will take up employment at a date subsequent to the reference period, are also regarded as unemployed.

Beyond employment and unemployment, the 1982 resolution identifies borderline categories, for example the “population not usually active” that is available for work but is not seeking work during the reference period. It also gives a general definition of underemployment, and specifies how to calculate visible underemployment: this comprises persons who are non-voluntarily working fewer than normal working hours and are seeking additional work or are available for such work.²¹

2) ILO resolution on underemployment and inadequate employment (1998)

In 1998, the 1982 definitions of underemployment were reviewed; the resolution adopted by labor statisticians began by recommending the measurement of time-related quantitative underemployment, i.e., the former “visible underemployment.” Persons in time-related quantitative underemployment are persons in employment who are willing to work additional hours, are available to do so, and have worked less than a threshold related to working time during the reference period. This threshold may be based on the distinction between full-time and part-time jobs (as is done in France and many other countries).

To measure underemployment, the resolution reminds statisticians that they should base themselves “primarily on the current capacities and work situations as described by those employed.” This corresponds to the conceptual framework applicable to the measurement of the labor force, defined in earlier resolutions on employment and unemployment.

In 1998, labor statisticians also proposed a new concept, that of “inadequate employment,” based on a qualitative mismatch. The resolution gives a very broad definition of inadequate employment: “Indicators of inadequate employment situations describe situations in the workplace which reduce the capacities and well-being of workers as compared to an alternative employment situation.” The resolution notes that “...the statistical definitions and methods necessary to describe such situations still have to be developed further.” In a later passage, the resolution identifies three dimensions of inadequate employment: inadequate employment may be related to skills, income, or excessive hours. The resolution also provides a more detailed list, which includes precarious jobs.

For both inadequate employment and underemployment, evaluations should be based on the conceptual framework applicable to the measurement of the labor force, and should therefore start with the working situations described by the employed. And the resolution specifies that “countries may want to consider as persons in inadequate employment situations, all those in employment who[,] during the reference period, wanted to change their current work situation[...].” The additional criteria of availability and active job search may also be applied to define inadequate employment.

3) The growing weight of Europe

- Eurostat’s role in survey harmonization

Despite their major conceptual contribution, the ILO definitions require some interpretation in order to be put into practice, and the divergences in interpretation between countries are detrimental to international comparisons.

²⁰ The formal attachment to employment combines several criteria: preservation of wages, return to work at the end of the period of absence, and the length of that period.

²¹ “Underemployment” was long used in Keynesian theory to describe the inadequacy of employment in recessions, i.e., a macroeconomic situation that diverged from full employment for a long period. It is in the ILO definitions that underemployment appears in its current, microeconomic meaning of quantitatively or qualitatively inadequate employment for an individual.

Eurostat plays a critical role in the harmonization of Labor-Force Surveys in EU countries (in France, the survey is still referred to as *Enquête Emploi*, i.e. “Employment Survey”).²² EU regulations require Member States to conduct the surveys. In the wake of studies showing differences in compliance with EU instructions from one country to another, Eurostat has intervened at increasingly earlier stages in the process, i.e., with respect to collection methods, and not simply by specifying the list of questions. The current regulation, which dates from 2000, requires Member States to follow an order and wording of the questions leading to the ILO definitions. These, in turn, are harmonized in a more specific manner: closed list of job-search steps allowed, availability for work in 15 days, and so on.

Until now, Eurostat has not been significantly involved in complementary unemployment indicators. A test on underemployment in the early 2000s raised hostile reactions from certain Member States. An annual publication, however, describes the “labor-force reserve,” i.e., the total number of economically inactive persons of working age, with a distinction between those who want to work and those who do not. The publications also identify part-time employees who have not found full-time jobs, and employees on fixed-term contracts who have not obtained open-ended contracts.²³ At the April 2008 meeting of the Working Group Labour Market Statistics, Member States were invited to exchange views on the subject.

- EU employment policy: from quality of employment to flexicurity

In the late 1990s, the improvement in economic conditions generated discussions in the EU about the return to full employment and policies to reduce unemployment and promote employment. A new objective emerged: to raise the employment rate.²⁴ Behind a single figure, the notion encompassed the joint reduction in unemployment and inactivity. At the Lisbon Summit of March 23-24, 2000, Member States pledged to raise the employment rate to 70% among the population aged 15-64 years—regarded as the working-age range—by 2010. For the 55-64s, the goal was set at 50%; for women, at 60%. These ambitious targets were defined not for individual countries but for the EU as a whole.

The problem is that part-time work is very widespread in some countries but less so in others—hence a gap between the total employment rate and a rate calculated in full-time-equivalent terms. The latter rate was supposed to have been tracked as well, but this objective has dropped out of sight.

Next, an attempt was made to transcend the quantitative target to address the nature of the jobs created, which led to the notion of high-quality full employment. These discussions were also reflected in the Lisbon summit’s objective of “sustained economic growth accompanied by a quantitative and qualitative improvement in employment [“more and better jobs”] and greater social cohesion.” The EU incorporated the “quality of employment” theme into its employment strategy in 2001. Quality of employment became a less urgent priority in 2003. That year, the EU began a gradual revision of the employment strategy, with a shift from quality to “quantity” and “a refocusing of priorities on growth and employment.” The employment guidelines were included in a broader strategy.

Most recently, the notion of “flexicurity” has gained prominence, and now occupies center stage. One of the ten domains in quality of employment at the Laeken Summit, it has become an omnipresent issue in EU discussions. It is actually a reworking of the “flexibility” theme developed by the OECD in the 1990s, amended out of concern for employees’ security and social protection. “Flexicurity” embraces a very wide range of fields, such as lifelong learning, reconciling family life and working career, health and safety in the workplace, and securing occupational paths. This introduces a dynamic dimension in the analysis, hence the need to construct indicators describing individual trajectories rather than individual statuses at a given moment, as before. Flexicurity is a rapidly-evolving policy that is far from complete.

²² The first European Community survey took place in 1960. It was based on a common list of data to be collected in national surveys. Annual surveys were executed from 1968 to 1971, but not in all Member States. Between 1973 and 1981, surveys were carried out every two years. The series of annual surveys, incorporating the 1982 ILO recommendations, began in 1983.

²³ See remarks by Sylvain Jouhette (Eurostat) to the Working Group.

²⁴ The employment rate is one of the indicators recommended by the ILO in its 1982 resolution.

In a parallel development, there has been a convergence between the ILO (which has addressed the issue of “decent work” since 2000²⁵), the United Nations Economic Commission for Europe (UNECE), and European institutions (Eurostat and the European Foundation for the Improvement of Living and Working Conditions). Common efforts are being made to formulate proposals for measuring quality of employment. A joint working group is defining fields such as working conditions and employment status. It is also trying to characterize “good” jobs and “bad” jobs in these fields on the basis of suitable indicators. We are therefore obliged to conclude that, in the current state of the discussions, these concepts are far from stabilized.

4) U.S. indicators that complement unemployment indicators

The country that has pioneered complementary unemployment indicators and made the most progress in the area is the United States. The U.S. has inspired the work of the OECD and other countries. The Bureau of Labor Statistics (BLS) has published a set of indicators every month since 1976. This set of indicators, modified in 1994 (Bregger and Haugen, 1995²⁶), has the merit of covering different situations and gives a good description of a widening halo. The categories defined are as follows, from the narrowest to the broadest (excepting U-2):

- U-1: Persons unemployed [ILO] 15 weeks or longer²⁷
- U-2: Job losers [ILO] and persons who completed temporary jobs
- U-3: Total unemployed [ILO]
- U-4: U-3 plus discouraged workers
- U-5: U-4 plus all other marginally attached workers
- U-6: U-5 plus total employed part-time for economic reasons.

U-3 is ILO unemployment, of which U-1 and U-2 are subsets, each shedding light on a specific category (long-term unemployment, unemployment due to the loss of a previous job). U-4, U-5, and U-6 extend the analysis beyond unemployment in the strict sense, by successively adding categories attached to the labor market.

To grasp the boundaries of category U-4, we need to specify the notion of discouraged worker. In the U.S., a person is classified as discouraged worker if (s)he is willing to work, is available, has sought work in the year just ended, and is no longer seeking work in the current period because (s)he thinks the search would be fruitless. This includes not only the reasons for non-search linked to economic conditions, but also the reasons pertaining to labor-market selectivity, which involve workers' characteristics.²⁸

The BLS goes on to define the indicator U-5 by adding to U-4 the “other marginally attached workers.” These are people who are willing to work, are available, have sought work recently, and are no longer seeking work, for whatever reason (apart from the reason given for indicator U-4, i.e., because they believe the search would be fruitless). The group includes, for example, people who have given up seeking work in order to raise children or because of transportation problems. These persons would be willing to return to the labor market under certain conditions.

The broadest indicator, U-6, comprises all persons included in U-5, plus all those who are working part-time for economic reasons. U.S. statistics define the latter as the visibly underemployed.²⁹ The data indicate the number of individuals, with no allowance for the part-time rate: a person working half-

²⁵ “Decent work has been defined by the ILO and endorsed by the international community as being productive work for men and women in conditions of freedom, equity, security and human dignity. Decent work involves opportunities for work that is productive and delivers a fair income; provides security in the workplace and social protection for workers and their families; offers better prospects for personal development and encourages social integration; gives people the freedom to express their concerns, to organize and to participate in decisions that affect their lives; and guarantees equal opportunities and equal treatment for all” (*Toolkit for mainstreaming employment and decent work*, Geneva, ILO, 2007, p. 6).

²⁶ “BLS introduces new range of alternative unemployment measures,” *Monthly Labor Review*, vol. 118, no. 10, October 1995.

²⁷ Fifteen weeks is the duration beyond which unemployment is classified as long-term in the U.S.

²⁸ See Philip L. Rones, “The labor market problems of older workers,” *Monthly Labor Review*, vol. 106, no. 5, May 1983, p. 9.

²⁹ These are people who want to work full-time and are available to do so, but have only part-time jobs, either because they cannot find full-time work, or because their working hours have been reduced.

time is counted as one unit, not as one-half. The calculation rule was different before 1994. The purpose of the indicator is to address issues concerning potential labor resources.

Other countries, as well, have set out to develop indicators complementing ILO unemployment. They notably include Australia and the United Kingdom. U.S. researchers and international institutions such as the OECD have compared indicators.³⁰ The OECD, for instance, was involved at a very early stage in analyzing employment and unemployment in different countries using alternative indicators, particularly underemployment and discouraged workers (in *Employment Outlook*, 1994). As Pascal Marianna explained to the Working Group, the OECD is still closely monitoring developments in this field in different countries.

c) Working Group analyses on the unemployment “halo” and underemployment

The categories of employed person, unemployed person, and economically inactive person as defined by the ILO are mutually exclusive: a person classified as employed cannot be unemployed at the same time; a person classified as employed or unemployed cannot be simultaneously classified as inactive.³¹ The detection of potential “dual statuses” requires a breakdown of the broad initial categories; for example, a student holding a “small job” is classified as an ILO employed person: to identify him or her specifically, we need additional information.³²

The ILO definition of an unemployed person is based on three criteria: being out of work, being available for work, and actively seeking work. The person must meet all three criteria at one, although there is an allowance for persons having found work beginning in a later period. To enumerate persons “close to” unemployment, we need to “relax” one or more of the criteria, as shown in the table below.

- The Working Group has taken the U.S. statisticians’ approach as a starting point in its search for indicators, but with broader guidelines for enumerating inactive persons close to unemployment: the Group suggests including all inactive persons willing to work but not counted among the ILO unemployed (categories C2-C4 of the table), i.e., (1) persons available who are not actively seeking work, (2) persons seeking work but not immediately available, and (3) persons not actively seeking work and not immediately available. There are two reasons for this broad choice: first, we may legitimately assume that such persons, who are willing to work, are in fact deprived of the income and social bond that work provides; second, for the economy’s production base, this situation entails a loss that cannot be ignored in the coming demographic transition. Indeed, these three categories belong to what Eurostat calls the “labor-force reserve.”³³

Among these persons, we should count separately those who describe themselves as available (category C2), as this distinction is recommended by the ILO (1982 resolution, §12-2) and closely resembles one of the U.S. indicators. These available persons can be subdivided into discouraged workers and “prevented” workers³⁴ (on the basis of the reasons given for not seeking work). We should add a third group: persons who are awaiting the result of earlier job-search steps or have temporarily suspended their search (these persons do not respond to the question on reasons for not seeking work).

³⁰ For example, Constance Sorrentino has compared a set of U.S. indicators with those of other countries: “International unemployment rates: how comparable are they?” The OECD has compiled data on discouraged workers and underemployment from countries that collect these statistics. There have been further attempts at such comparisons, for example, Emmanuelle Nauze-Fichet, “Taux de chômage dans les pays de l’OCDE,” *Notes Bleues de Bercy* [French Economy Ministry] and the table prepared by Pascal Marianna for 2005 from an OECD database on employment and unemployment statistics.

³¹ The ILO conceptual framework rests on descriptions by the persons themselves, questioned in surveys such as the Labor-Force Survey; it excludes all normative classifications. The questions are as specific and factual as possible, but everything ultimately depends on the respondents’ answers.

³² The thickening of boundaries between “polar” situations and the need for international comparisons make these sub-categories necessary. Some of them are destined to become indicators.

³³ INSEE has already implemented this proposal in its quarterly publication of Labor-Force Survey results.

³⁴ Our “prevented workers” category represents a portion of “other marginally attached workers” under the U.S. definitions discussed above.

We should also note that some of the unavailable persons give the same reasons for not seeking work as persons designated as discouraged workers and prevented workers.

Criteria			Groupings	Details
Out of work and willing to work	Available	Active search	ILO unemployment*	C1 Unemployed job-seekers (French: PSERE)
		No active search	Applicants who are not seeking work and/or are unavailable (referred to here as "unemployment halo")	C2-1 Discouraged workers**
				C2-2 Prevented workers**
	Unavailable	Active search		C2-3 Workers currently not seeking work
				C3 Unavailable persons seeking work
		No active search		C4 Unavailable persons not seeking work
Employed (part-time) and willing to work more	Available	Active search	ILO underemployment***	C5 Underemployment
		No active search		C6 Underemployment
	Unavailable	Active search		C7 Underemployment?
		No active search		C8
*ILO unemployment also includes persons who have found jobs beginning in a later period (within less than three months).				
**The distinction between discouraged workers and prevented workers is based on the reasons for not actively seeking work: <ul style="list-style-type: none">discouraged workers believe their search would be fruitless (because of economic conditions or labor-market selectivity)prevented workers give other reasons for not seeking work (for example, lack of child-care facilities or lack of transportation)the question on the reasons for not seeking work is not put to workers currently not seeking work (they are awaiting the result of previous searches or have temporarily suspended their search).				
***ILO underemployment also includes persons (working full-time or part-time) having worked less than normal for economic reasons. Category C7 is a subset of underemployment under the French definition, which is aligned with the 1982 ILO definition. It was removed from underemployment in the 1998 ILO definition, not yet applied by INSEE.				

To measure the robustness of the halo indicators, it would be useful to verify, by means of annual or multi-annual analyses, these persons' attachment to the job market—as the OECD did in *Employment Outlook* (1994). This would involve measuring how many are (1) employed, (2) ILO unemployed, (3) still in the "halo" or (4) economically inactive and not willing to work, three months, six months or a year after the first measure.

Remark #1: This group does not include persons who do not state that they are seeking work or are willing to work, who belong to institutional categories excluded from employment (early retirees, persons exempted from job-search requirements, or even former paid employees who have lost their jobs because of layoffs), and who might describe themselves as discouraged. Enumerating them would have required taking into account not their stated wishes, but their inclusion in one of the categories listed. These persons are excluded from the labor market, but with their consent since they are unwilling to work.³⁵

Remark #2: For international comparisons, it would also be useful to examine, within the working-age population, the economically inactive who state that they are unwilling to work. This is because specific institutional mechanisms in certain countries lead the economically inactive to keep out of the

³⁵ Some of these persons were identified in the pre-2003 Labor-Force Surveys when they described themselves as unemployed at the start of the questionnaire, even if they subsequently stated that they were not seeking work and no longer wanted to work. See the article by Danièle Guillemot, "La population active, une catégorie difficile à cerner," *Économie et statistique*, no. 300, October 1996. Since 2003, this initial classification (called "self-described") is no longer requested. The only remaining questions are those useful for classifying people under ILO criteria.

labor market (for example, invalids in the Netherlands, and persons enrolled in certain welfare programs and prison inmates in the U.S.). This lowers the unemployment rates in these countries; by contrast, the employment rate should better reflect these forms of non-participation in the labor market.³⁶

- The Working Group's suggestion of conducting a periodic census of persons in underemployment is consistent with the 1998 ILO definition and with practices in many other countries: the category consists of persons employed part-time who are willing to work more and are available to do so, plus persons having worked less than usual in the reference week for economic reasons (such as partial unemployment or business slowdown).³⁷ In practice, underemployment largely comprises non-voluntary part-time employment, but the criteria are different. A person who has chosen part-time work but is willing to work more and is available is classified as underemployed; conversely, a person working part-time non-voluntarily who is unwilling to work more or is unavailable is not regarded as underemployed.

d) Group discussions on “inadequate” employment

Although the ILO proposed it ten years ago, the concept of inadequate employment has not yet been implemented anywhere.³⁸ Discussions at the Working Group have shown that the concept is hard to put into practice. It is difficult to separate the share of inadequate employment due to the job itself (deemed inadequate) and the share due to the worker or to the interaction between the two. The Group voiced strong reservations on the use of the term “inadequate,” and has distinguished between two approaches to “unsatisfactory” employment:³⁹ the labor-market approach and the quality-of-employment approach. We have made some proposals for applying the first approach, and underscored the value of the second—which, however, we view as a borderline subject with respect to our remit.

1) Labor-market approach

In the discussion, the Working Group emphasized the need for a measurement consistent with the other indicators—for unemployment, the unemployment halo, and underemployment—which refer to people's willingness to work. That is why, under the labor-market approach, *unsatisfactory employment* includes all employed persons who want to change jobs. It would be interesting to classify these persons according to the reason for their dissatisfaction.⁴⁰

The question of the availability of these persons (who have jobs and want to change jobs) is not as relevant as for the economically inactive who want to work: because they are employed, they are already attached to the labor market. If we still want to apply the availability criterion to them, it would be logical to examine jointly the persons available for work and those who are unavailable because they need to give notice before quitting their present jobs. Only persons giving other reasons for unavailability should be considered truly unavailable.

We could add the following categories as indicators of “chosen” working time (or, more accurately, of “non-voluntary” time): persons who are willing to work less and earn less, for example to better reconcile their personal lives and working careers; persons who are willing to work more hours and earn more. Many people, even full-time workers, state that they want to work longer hours, i.e., voice demand for overtime. In both cases, the mismatch is quantitative, not qualitative, but these are indeed jobs that are in a certain sense “inadequate” or unsatisfactory for the persons who hold them. We should also explore the constraints on people's choices, particularly those arising from the presence or lack of community services such as transportation, day-care centers, and schools. The topic should be examined in greater depth, and the results could yield complementary indicators.

³⁶ See Jacques Mistral and Bernard Salzmann, “La préférence américaine pour l'inégalité,” *En temps réel*, Cahier no. 25, February 2006.

³⁷ INSEE has already implemented this proposal, as well, in its quarterly publication of Labor-Force Survey results. The definition of underemployment has been very slightly modified (see note to table above), and INSEE has not (yet) taken this change into account. Its impact is marginal (1% of the category).

³⁸ The ILO itself no longer refers to it, and has been using the concept of “decent work” since 2000.

³⁹ For lack of a better term, the Group proposes *unsatisfactory* as a substitute, but even this word does not adequately emphasize the interaction between employment and the person who wants to change jobs.

⁴⁰ Currently, Labor-Force Survey respondents must list the main reason for wanting to change jobs. One-quarter of them state “other reasons.”

*Proposal 3**Conduct fuller analysis of concept of “non-voluntary” working time with a view to constructing new indicators.*

Remark #1: given the skills gap between the categories concerned, people willing to work less would not necessarily free up jobs for those who would like to work more.

Remark #2: most people who want to work more and who are employed part-time have already been counted among the underemployed. If they also state that they want to change jobs, they have already been enumerated in the “unsatisfactory employment” category described above. Once we begin to refine the analysis using the different approaches, we cannot avoid overlaps between the different suggested indicators.

2) Quality-of-employment approach

As the discussion at the Working Group showed, this approach is a borderline issue with respect to our remit. Quality of employment is not related to the functioning of the labor market in the strict sense. However, quality of employment is a significant issue in its own right, although it proceeds from a normative approach that lies outside the conceptual framework of the 1998 ILO resolution. The topic sparked heated debate in the Working Group. Some members argued that emphasizing quality of employment could overextend the Group’s scope of action and dilute the impact of its proposals. Moreover, quality of employment is more of a topic of debate between social players (what is a decent job, or a suitable job?) than a CNIS sphere of competence. Others contended that the Working Group should not arbitrarily exclude the qualitative analysis of work from its field of investigation and that, if the Group did not propose indicators, it should at least make room in its Report for the debate on quality of employment.

In this connection, it is useful to offer a brief overview of the aspects of quality of employment discussed in the Working Group, and the different ways of addressing them, where appropriate.

One of the skills-related aspects of “inadequate” employment is overqualification. This topic has been and continues to be well studied, thanks to the CEREQ Cohort Surveys (Enquêtes Génération), the Labor-Force Survey, and the EU Panel. As specifically regards the school-to-work transition and young people’s first years in the workplace, the “Education-Employment Assessments” (Bilans Formation-Emploi) provide a relevant set of figures and studies; given the quality of the work produced, we recommend that it should continue.

Concerning working conditions and health, the SUMER⁴¹ Survey and Working Conditions Survey (which supplements the Labor-Force Survey) supply satisfactory periodic results.⁴² Again, these projects should continue. Another feasible suggestion would be to publish, in the annual assessment, indicators based on current questions in the Labor-Force Survey about such issues as night work, regular weekly work exceeding a given threshold (with specific allowances for atypical occupations), and Sunday work.

As emphasized at the Working Group, the level of individual earned income reflects several aspects of “inadequate” employment at once. In its definition of decent work, the ILO mentioned fair income as a necessary characteristic.⁴³ This definition is open to several interpretations. For the European Trade Union Confederation (ETUC), a job for which individual compensation is inadequate to ensure an autonomous livelihood to each person is not, in most cases, “decent work.” This low wage may be due to short working time, an excessively low hourly wage rate, or a combination of the two. However, if someone chooses a job with reduced working hours for personal reasons, the work cannot be described as non-decent. The choice may be dictated by any number of reasons: choice of lifestyle, choice of a combination of several jobs, choice of employment and another status (for example, retirement), choice of a part-time job or during a short period of the year, and so on. The topic calls for

⁴¹ French acronym for “Medical Risk Watch.”

⁴² The latest survey on Education and Occupational Skills (FQP) also yielded results on the subject. See Thomas Amossé and Michel Gollac, “Intensité du travail et trajectoires professionnelles: le travail intense est-il soutenable?,” *Document de travail* no. 93, Centre d’Études de l’Emploi (CEE), September 2007.

⁴³ See above, note 25.

further investigation, in a framework that exceeds the Working Group's remit. Reference should be made to EU indicators on quality of employment and the ILO definition of decent work.

For examining poverty, this employment-centered analysis can be usefully supplemented with a household-centered approach, which takes into account the household's other income sources (if any) and consumption units. It is in this context that we should take a closer look at the combination of income support (*minimas sociaux*) (distributed sometimes to individuals, sometimes to households) and employment. For this purpose, we could use data from the Taxable Income Survey or the French panel for Statistics on Income and Living Conditions (SILC; in France: SRCV). The household-income approach is consistent with certain EU indicators, such as the proportion of working poor, a quality-of-employment indicator under the 2005 guidelines.⁴⁴ More broadly, France regularly provides EU bodies with indicators on employment and social issues, for example, the indicators included in the National Action Plan for Social Inclusion (PNAI).

The joint ILO/UN/Eurostat Working Group mentioned earlier is expected to publish proposals for indicators in 2009. It will then be necessary to enhance the statistical system's existing indicators, as appropriate, with the new indicators recommended by the Group. This will offer an opportunity for the statistical system to address quality of employment. The CNIS "Living Standards and Social Inequality" Report had already proposed that the issue of quality of employment should be revisited and examined in depth by the relevant CNIS Task Force (see report cited, §4.3, quality-of-employment indicators, p. 50).

Proposal 4

Explore the measurement of employment quality and decent employment, in the CNIS Task Force on Employment and Income.

e) Deepening the analysis of unemployment: long-term unemployment, recurrence, compensation and support for the unemployed

Economic changes since 1975 have diversified the forms of employment and unemployment,⁴⁵ causing a divergence from the definitions elaborated in the full-employment period.

1) Importance and limitations of the concept of long-term unemployment

The long-term unemployed are generally regarded as being in a more difficult situation than the "recent" unemployed—hence the importance of measuring the category. The mean duration of unemployment, expressed in months, summarizes this information concisely, but is heavily influenced by long and very long durations.

Several other duration indicators are used, reflecting the length of time already spent in unemployment: persons unemployed 15 weeks or longer (U.S. indicator), a year or more (the most common definition of long-term unemployment), two years or more (very-long-term unemployment). Depending on whether the numerator is divided by the number of unemployed or the number of economically active persons (employed persons + unemployed persons), we obtain the proportion of long-term unemployment, or the long-term unemployment rate. When the economy improves, it is mainly short-term unemployment that decreases, and the share of long-term unemployment tends to rise. That is why it is preferable to use an indicator in rate form.

2) Recurrence of unemployment

Recurrent unemployment describes persons who find themselves out of work again after experiencing another situation (typically, finding a job) subsequent to an initial unemployment spell. In other words, it applies to the unemployment/employment/unemployment cycle, which may repeat itself. Persons in recurrent unemployment have been jobless for a relatively short period, as at least one non-unemployment spell has intervened, setting the unemployment-spell meter to zero. Recurrent unemployment may be regarded as "interrupted" long-term unemployment and so represent an indicator of the difficulty experienced by some persons in exiting unemployment (if we view the

⁴⁴ *La qualité de l'emploi*, Centre d'Études de l'Emploi (CEE), 2006, Paris: Éditions La Découverte, p. 19.

⁴⁵ These changes blur previous distinctions, causing the "break-up" (*éclatement*) of employment and unemployment, to borrow the title of the special issue of *Économie et statistique* edited by Claude Thélot, no. 193-194, November-December 1986.

situation in terms of individuals). In this respect, the analysis of recurrent unemployment complements that of unemployment duration. Following through on this approach, to examine unemployment duration and recurrence is to give unemployment a certain “depth,” i.e., to view it as part of an individual path and not as an instantaneous phenomenon. In other words, recurrence indicators should measure the intensity of unemployment in individual paths, as unemployment-duration indicators do. The two types of indicators are complementary.

Recurrent unemployment characterizes the paths of many young people and of certain older persons experiencing difficulty in the labor market. The intermediate statuses between two unemployment spells often consist of temporary jobs, fixed-term contracts, replacements, and subsidized contracts. If the intermediate status is an inactivity spell, the significance of recurrent unemployment is different: we are dealing here with persons whose relationship with the labor market is distant and whose job search has not stabilized.

What indicators?

The Working Group considered many possible recurrence indicators. They should allow an identification of paths mainly consisting of unemployment interspersed with work spells that reset the unemployment-duration counter to zero. Several ideas were submitted to the Working Group for discussion, such as calculating the number of recurrent unemployed over a period of one or two years. In that case, a recurrently unemployed person would be defined as someone who was ILO-unemployed at the survey date, had previously experienced at least two entries into unemployment (in the previous year), and posted cumulative unemployment of more than three months during the year, with at least one employment spell. In the course of the discussion, variations on this indicator were suggested, involving the addition of (1) the underemployed at the survey date; (2) persons in precarious jobs (definition to be specified); (3) total number of persons surveyed.

Other possible indicators would be: (1) average number of unemployment spells in previous calendar year for ILO unemployed at the survey date; (2) distribution of ILO unemployed at the survey date by number of unemployment spells during calendar year; (3) distribution of ILO unemployed at the survey date by number of unemployment spells and combined duration of these spells in previous calendar year.

As long-term unemployment mainly affects adults and seniors, and recurrent unemployment is more prevalent among the young, it would be fairly logical to try to associate the two for an overall assessment of persons experiencing difficulties in the labor market. One could, for example, determine an enlarged ILO long-term unemployment rate (including unemployment recurrence) by using a numerator composed of persons unemployed for a year or more (having been continuously unemployed in the previous 12 months), plus persons unemployed for under a year, but having been unemployed for 12 months in the previous 18 or 24 months. However, the rate would be delicate to compute, requiring robust preliminary studies.

3) Recurrence of registration as job-seeker at National Employment Agency (ANPE)

It is also possible to calculate recurrence indicators for job-seeker registrations at ANPE. These indicators do not measure the recurrence of unemployment. The issue here is identical to the one raised by using the number of ANPE-registered job-seekers at month-end: we analyze job-seekers' behavior by using the ANPE historical database (Fichier Historique Statistique: FHS), which gives us substantial time depth of up to ten years. Such indicators have been proposed and discussed at the Working Group. Combined with data on the duration of job-seeker registration, these recurrence indicators can help to better understand the trajectories of ANPE-registered job-seekers as well as to improve the Agency's services.

4) Job-seeker benefits and support

Until the early 1980s, France's unemployment-insurance systems were fairly generous but overwhelmed by the rise in unemployment and by its duration. Since then, they have undergone major transformations.⁴⁶ They have become more diverse and complex. In 1984, the single compensation fund established by the 1979 Act and cofinanced by UNEDIC and the State was split in two: the first

⁴⁶ Carole Tuchsirer, “Compensation et accompagnement des chômeurs: une articulation à reconsidérer,” *Connaissance de l'emploi* no. 51, Centre d'Études de l'Emploi, February 2008.

fund covers unemployment insurance; the second is a State-financed solidarity fund, which assists some of the persons ineligible for unemployment insurance. In 1988, a minimum guaranteed income (Revenu Minimum d'Insertion: RMI) was introduced. The main recipients are (1) job-seekers ineligible for the "return to employment" allowance (Allocation de Retour à l'Emploi: ARE) or the "specific solidarity allowance" (Allocation Spécifique de Solidarité: ASS); (2) job-seekers receiving low amounts of these benefits and lacking other resources in their households. The RMI therefore acts as a catch-up mechanism with respect to unemployment insurance and the solidarity fund. At the same time, the government introduced monetary incentives to encourage the return to part-time work. These mechanisms are highly complex too, for they vary according to whether the applicant is receiving the ARE (in which case the term "reduced activity" is used) or a form of income support (in which case the term "income supplement" [*intéressement*] is used), according to the number of hours worked, and sometimes even according to the type of work contract. While statistics are available for each of these categories, there is no consolidation that would provide a coherent, stable, and periodic picture of how the unemployed are compensated, in the broadest sense. It would be worth tracking, on a regular basis, the changes in the number of ILO unemployed or ANPE-registered job-seekers receiving the RMI.

At the same time, the mechanisms for helping the transition to employment have expanded. In the RMI program, such assistance may be designated as one of the purposes of the "transition contract" signed between the recipient and the State. At ANPE, career paths are mapped out after assessment of the applicant's skills and counseling. On the scope of these various plans, and on their effectiveness in promoting a return to the workplace, we have very few quantitative or qualitative data, and the little that exists is fragmentary or scattered. This deficiency is all the more surprising given the importance and, indeed, controversial nature of the subject.

The Working Group was not able to develop proposals in this area, which deserves a major intellectual investment. The latter should accompany the reforms in progress concerning the ANPE-UNEDIC merger and the introduction of an earned income supplement (Revenu de Solidarité Active: RSA), which will replace the RMI. The findings should be taken into account in the renegotiation of the agreement on unemployment insurance between the State, employers, and labor unions.

The enactment of these reforms will require a special effort to improve the measurement of connections between job-seekers' registration, benefits, and support. It will also be useful to monitor and evaluate the practical implementation of measures to promote the return to employment.

How should one calculate an overall rate of job-seeker compensation?

As regards benefits paid to ANPE-registered job-seekers, UNEDIC has detailed compensation rates by category of registered job-seekers. From these detailed data, it is useful to calculate a coverage ratio, i.e., the number of job-seekers receiving benefits divided by the total number of registered job-seekers.

At present, persons exempted from job-seeking but receiving benefits are added to the numerator and denominator of this coverage ratio, called "potential population eligible for compensation." The Working Group discussed the relevance of this practice, which boosts the compensation ratio artificially since it consists in adding a category that, by construction, is 100% compensated. There are no stock figures for persons exempted from job-seeking and not receiving benefits. All we have are figures documenting their exit from job-seeker rolls—precisely because they are exempted from job-seeking.

f) Precarious employment: an ill-defined notion

One of the major features of the current period is the increase in the number of temporary-work contracts. Some authors argue that the rise in precarious employment is the most characteristic trait of a new paid-employment regime. It is a hazy concept, but largely used by social players and journalists. It denotes a multi-dimensional phenomenon, whose definition varies according to whether the authors operate in the sphere of research, social work and welfare, or statistics.

Sometimes the notion designates a set of non-standard jobs (precarious jobs); alternatively, it may refer to the individual life experience (of persons in precarious employment), in some cases outside

the workplace sphere. Indeed, precariousness is tied to several other notions: poverty, instability, insecurity, unemployment, and exclusion. Used by labor unions, non-profit organizations, and politicians, precariousness has become a “political” category. It has become a very broad notion, perpetuating confusion and making it hard to arrive at precise measurements. Moreover, definitions vary from one country to another.

1) Instability and insecurity of employment

The Council on Employment, Income, and Social Cohesion (CERC), in its report on the security of employment,⁴⁷ avoids all emphasis on precariousness, and addresses the subject in terms of instability and insecurity of employment. Instability of employment denotes the lack of continuity of the link between the paid employee and a firm. The break may be caused by the employee (resignation) or the firm (end of contract, layoff). If these events are rapidly followed by a new hiring, the person's status will differ significantly from what it would be if the outcome were lasting unemployment. It is in this second case that the term “insecurity of employment” is used. CERC defines insecurity as the risk of moving from employment to unemployment as well as a person's low probability of finding a job when (s)he is unemployed. An unstable job may lead to insecurity, but not necessarily if there is a prompt return to employment. A rapid return to the workplace may result in a higher-level job; if so, instability will not generate true insecurity.

Job instability has grown significantly in the past twenty years.⁴⁸ Depending on the industry and the firm, such instability is characterized or not by the use of temporary contracts (replacements or fixed-term contracts). Insecurity of employment—measured by the annual rate of transition between employment and unemployment—has registered major fluctuations: in the early 2000s, it returned to its level of twenty years earlier.⁴⁹ However, given the substantial difference between the two periods—economic conditions were poor in the early 1980s but positive in the early 2000s—insecurity of employment has trended up.

• Indicators for instability of employment (or workforce turnover)

The first indicator is the length of employment of workers in the firm. We can use the mean value, or a segmentation by length, for example, into three categories: under a year; from one year to under five years; five or more years. The length-of-employment variable is difficult to interpret, and even vulnerable to bias, if we examine short-term or medium-term changes. When hirings recover, the mean length of employment decreases with the influx of new workers; conversely, during slowdowns, the mean length of employment increases. Length of employment is very useful for comparing ages, sectors or occupational categories at a given date. It is also valuable in the long term, and has been used for this purpose by researchers such as Peter Auer.⁵⁰ We therefore recommend its use primarily as an indicator of inequality in regard to stability.

A second indicator is based on hiring and exit flows. The higher the turnover rate, the greater the instability of employment in the firm or industry.⁵¹

Using DADS forms, Marie Leclair and Sébastien Roux⁵² have calculated the share of hours worked by employees who have stayed less than a year in a firm. This criterion allows a distinction between unstable work and stable but short-term work. The measure is available only for the years 1994-2000. The CNIS “Living Standards and Inequality” Report recommends its adoption as one of the main instability indicators (proposal 50, p. 49). The proposal seems hard to implement, however, for these evaluations require substantial preliminary work on the data. Such examinations can be carried out in study projects but not on a regular basis for the purpose of publishing indicators.

⁴⁷ CERC, “La sécurité de l'emploi face au défi des transformations économiques,” *Rapport* no. 5, Paris: La Documentation Française, 2005.

⁴⁸ Nevertheless, stability remains high for most employees, as clearly shown in the study by Peter Auer and Sandrine Cases, “The Resilience of the Long-Term Employment Relationship,” *International Labour Review*, vol. 139 no. 4, 2000-4, and “Employment stability in an age of flexibility: Evidence from industrialized countries,” International Labor Office, Geneva, 2003.

⁴⁹ CERC, report quoted in note 47 (see especially p. 10).

⁵⁰ Study cited in note 48.

⁵¹ These flows are discussed in “Flux de main-d'œuvre, flux d'emploi et internationalisation,” published in the summer 2007 edition of *Économie Française*, “INSEE - Références” series.

⁵² “Flexibilité et instabilité de l'emploi: une stratégie des entreprises,” INSEE Research Seminar, April 2004.

- Insecurity indicators

The first indicator proposed by CERC is the annual rate of transition between employment and unemployment. The second is the annual rate of transition between employment and non-employment (unemployment + inactivity). This second indicator overestimates insecurity, since the transition may be voluntary, as in the case of a worker retiring under normal circumstances. By contrast, the first indicator underestimates insecurity of employment, for it neglects non-voluntary exits from employment to inactivity. Giving up the search for work out of discouragement falls within the scope of insecurity of employment.

To supplement these employment-insecurity indicators, CERC rightly suggests⁵³ adding the rate of transition between unemployment and employment, in order to evaluate an unemployed person's probability of finding work. This indicator measures insecurity in the labor market, i.e., a person's "difficulty" in entering or returning to the workplace.

The Working Group believes that it would be worth classifying initial employment statuses by type of work contract and enlarging destinations (unemployment, inactivity, but also employment by type of work contract) in order to obtain a complete picture of the major significant flows and their variations. The Working Group also considered the possibility of supplementing these employment/unemployment transition indicators with indicators showing the number of months spent in employment during the year (for example, computed from the retrospective Labor-Force Survey schedule). If we widen the approach beyond the status of "unemployed in year *n*," we could compile valuable statistics from DADS forms using the date of entry into employment and the date of termination of the employment period. Such statistics would include: number of months in employment during the year (excluding, if possible, entries due to end of schooling and voluntary exits such as retirement); distribution of individuals by length of employment (but the distribution by length of employment exceeding one year cannot be determined from the annual DADSs); number of persons having been in employment less than 3 months, less than 6 months, and less than 9 months in the year.

- The feeling of job insecurity

The feeling of job insecurity has risen steadily.⁵⁴ It is increasing most sharply among employees with temporary contracts (even among those who find another job easily), the young, and recently hired workers, but it also affects longer-serving employees. The latter are less at risk of losing their jobs outright, but stand more to lose on account of their seniority, particularly in terms of pay. This feeling of insecurity goes hand in hand with the high value assigned to stable employment in French society. Workers—even the youngest—are strongly committed to obtaining job stability.⁵⁵ And other influential social players—such as banks and residential landlords—intensify this attachment to stability through their practices and solvency requirements.

Surveys should be conducted to measure the feeling of job insecurity. The CERC Report emphasized that, in fact, there are very few such surveys, despite the fact that this sentiment—whether justified or not—shapes players' behavior. The Working Group recommends regular investigations on the issue. The choice of suitable procedure needs further examination. A question of this kind was asked in the 1999 wave of the previous European panel.⁵⁶ The French Permanent Survey on Living Conditions (EPCV) or the new SILC panel (in France: SRCV) could serve as a vehicle.

Proposal 5

Set up a system to analyze the feeling of job insecurity.

⁵³ CERC report cited in note 47, p. 77.

⁵⁴ As noted in the CERC report (see note 47), cahier IV, "Le sentiment d'insécurité." See also Fabien Postel-Vinay and Anne Saint-Martin, "Comment les salariés perçoivent-ils la protection de l'emploi," *Économie et statistique* no. 372, February 2005, p. 41 ff. In note 6, p. 44, the authors state that, by comparison with workers in other countries, French workers express very strong dissatisfaction in regard to job security yet do not describe themselves as unduly worried about the prospect of losing their own jobs.

⁵⁵ See results of CEREQ Cohort Surveys, quoted in a memorandum by Alberto Lopez for the Working Group.

⁵⁶ Postel-Vinay and Saint-Martin, article cited in note 54.

2) Approaches to precarious employment

• Precarious employment in France

The concept of precariousness was used in French family sociology in the late 1970s. It was tied to what would be called “new poverty” in the early 1980s. Precarious families lack support networks, making them vulnerable. Precariousness and poverty remained linked afterwards, although the notion of precariousness evolved, with less emphasis on its family dimension. These notions have one point in common: destabilization.

In the early 1980s, precariousness encompassed two social realities. It remained linked to poverty, but authors began to use it to describe job status as well. Temping and fixed-term contracts already existed before 1975, but French firms started using them more frequently in 1976. Economists and sociologists analyzed the “new” or “precarious” forms of employment. They pointed out the dangers with regard to worker protection and stressed the need for better knowledge of their impact. In 1979, France enacted its first law regulating fixed-term contracts; this was followed by a government order of 1982 that restricted the use of temporary-employment contracts and designated the fixed-term contract as the standard legal employment contract. The term “precariousness” was introduced in the Labor Code (article L 124-4-4 instated the “precariousness bonus”), and later used by social-insurance agencies and in legislation. One example is the Act of July 12, 1990, to “promote job stability through the adjustment of the precarious-contract regime.” Officialized by legal rules, precarious employment was introduced into the scope of coverage of official statistics to describe workers’ status on a par with public-sector and private-sector employment.

In the early 1990s, precarious employment was consistently associated with the risk and uncertainty of specific employment statuses, but many economists and sociologists argued that the type of contract is not the only criterion for evaluating it. In certain industries, employers use fixed-term contracts for short-term or part-time jobs. Other jobs with difficult working conditions are filled by means of open-ended contracts (CDIs); their short durations are due partly to employers’ management methods and partly to the fact that employees hold the jobs for brief periods while waiting for something better. Some sociologists conclude that all of French society is moving toward greater precariousness. Robert Castel speaks of “the erosion of paid-employment conditions, of which a key feature is the rise in precarious employment.”⁵⁷ According to Castel, the “precarization” of work enables us to understand the processes that produce unemployment and employees’ loss of attachment to the society.

Serge Paugam also contributed to enlarging the notion.⁵⁸ Precarious employment, in his view, is a situation where people cannot predict their future working careers or obtain long-term social protection. Three criteria should be taken into account: lasting employment relationship, single employer, and income level. Workers on fixed-term contracts, temporary workers, non-tenured government employees, persons employed on an intermittent basis (notably in the entertainment industry), young persons in apprenticeship, interns, and workers on subsidized contracts have a precarious status, defined by their specific contracts with employers. In their case, precarious employment is defined on the basis of the type of work contract. Part-time and underemployed workers are also considered to be in precarious employment: for them, the defining criterion is inadequate income. Lastly, full-time workers under open-ended contracts (CDIs) but who risk being laid off are regarded as precariously employed, for their employment relationship may not be long-lasting.

Numerous studies by economists emphasize the risk of labor-market segmentation: there is a widening gap between employees on open-ended contracts protected by labor law and the category comprising temp workers and economically inactive and unemployed persons seeking work. Many people obtain stable jobs at an ever-later stage in life. Some persons—among the least educated—merely alternate short-lasting jobs and unemployment spells: this is the recurrent-unemployment phenomenon discussed earlier.

• Precarious employment in other countries

Comparing precarious employment in France with the situation in other countries is a means of recalling institutional differences but also of pointing out convergences. In a research project for the European Commission, Jean-Claude Barbier analyzed the meaning of precariousness in several EU

⁵⁷ Robert Castel, *Les métamorphoses de la question sociale*, Paris: Fayard, 1995.

⁵⁸ Serge Paugam, *Le salarié de la précarité*, Paris: Presses Universitaires de France [PUF], 2000.

countries.⁵⁹ According to him, precariousness defined as all forms of employment other than full-time open-ended contracts (fixed-term contracts, temping, open-ended contracts on a non-voluntary part-time basis) is a meaningful concept in the Latin countries (France, Spain, and Italy), where such jobs offer less social protection. In the U.K., all work contracts are equivalent and fixed-term contracts are uncommon, yet there exists a category called “poor jobs,” with limited career prospects. In Denmark, jobs are flexible, but social protection offsets this (workers enjoy income continuity), and the employment level is high. A study by Carole Tuchsirer looks at Europe, Japan, and the U.S.⁶⁰ She finds that many countries address precariousness in a broad analytical framework that centers on quality of employment, irrespective of the work contract. Criteria for distinguishing between “good jobs” and “bad jobs” include career prospects, social protection associated with employment, income levels, and mobility risks.

From our review of precarious employment in France and abroad, we can conclude that precarious jobs are jobs that do not give workers visibility on their future and may lead to unemployment. They offer less social protection than other jobs. They nurture a strong feeling of insecurity.

• What indicators?

As the consequences of precarious employment need to be evaluated over the long run, we must give preference to path indicators, which are the only means to track individual careers. Path indicators seek to extend the observation period beyond a year to three or even five years, so as to better assess the chances of exit to stable employment versus the risks of entrapment into a succession of precarious jobs and unemployment spells. We could also look retrospectively at the number of years spent in employment, unemployment or inactivity at a given age, for example 40 and 60. The subject remains very largely uncharted.

The establishment of categories⁶¹ should be encouraged. If they are sufficiently robust, they could be monitored on a regular basis and yield indicators. The definition of trajectories is obviously being studied but, once they have been defined, it may be possible to quantify at regular intervals the number of persons experiencing them. We could also envisage an indicator of potential precarization of employment, which would be the probability of being in precarious employment or unemployment the third year, for persons already in one of these two statuses in the two first years.⁶²

What indicators should be added to obtain a snapshot of the situation at a given moment? The Working Group initially examined the possibility of distinguishing persons in precarious employment among the persons who are dissatisfied with their jobs (see “unsatisfactory employment” category discussed earlier). Under the broadest definition of precariousness,⁶³ they should comprise persons under temporary contracts, plus part-time employees, plus full-time workers on open-ended contracts but whose jobs are at risk. Other, more restrictive definitions would be possible: among workers with temporary contracts or part-time jobs, restrict the definition to those who state that they did not choose this type of employment; or exclude workers on open-ended contracts altogether. This segmentation would amount to separating persons in precarious employment who want to change jobs from all other workers seeking to change jobs. The first have jobs that do not satisfy them, a fact explicitly or indirectly linked to the temporary nature of their employment; the second group also have jobs that do not satisfy them, but for reasons pertaining less to employment and more to the interaction between the position and the person occupying it (overqualification, career plans, desire for higher pay, personal reasons). The breakdown could also rely on a table presented to the Working Group showing that, among persons wanting to change jobs, those who have a fixed-term contract or have been assigned by a temp agency actively seek work and register at ANPE more often than other categories (persons working on part-time open-ended contracts are in an intermediate status).

⁵⁹ Jean-Claude Barbier and Robert Lindley, “L’emploi précaire en Europe,” *Quatre-pages CEE* [Centre d’Études de l’Emploi], no. 53, September 2002; Jean-Claude Barbier, “La précarité, une catégorie française à l’épreuve de la comparaison internationale,” *Revue française de sociologie* no. 46-2, 2005.

⁶⁰ Carole Tuchsirer, “Les différentes approches de la précarité de l’emploi en Europe, au Japon et aux États-Unis,” *Chronique internationale de l’IRES* [Institut de Recherches Économiques et Sociales], no. 97, November 2005.

⁶¹ The term “typology” is often associated with the outcome of automatic classifications, which are hard to use for tracking inter-cohort changes. That is why we prefer to speak here of “categorization.”

⁶² Denis Fougère, “Instabilité de l’emploi et précarisation des trajectoires,” in *Actes des troisièmes entretiens de l’emploi*, Paris: Publications de l’Observatoire de l’ANPE, 2003.

⁶³ The one offered by Serge Paugam (see note 58).

The definition of both groups rests on the assumption that, among persons qualified as precariously employed, the desire to change jobs or the active search for another job is directly related to their current status. However, there is no evidence for this hypothesis, which is why we do not propose the segmentation. Workers who want to change jobs or are looking for other work should be regarded as a single group that can be broken down according to one of two criteria: worker status or reasons for wanting to change jobs.

There could also be indicators to enumerate, at a given moment, persons holding temporary jobs—a classification of employment based on legal criteria. Temporary jobs comprise fixed-term contracts with the firms themselves (CDD), including subsidized contracts, and jobs arranged through temp agencies. Raw figures for a given date can be obtained from the Labor-Force Surveys. In the medium term, we should also look at what can be extracted from DADS forms on this subject.

g) Employers' labor requirements and the workings of the labor market

There is a wide array of concepts that relate to hirings by French firms: labor demand and hiring intentions measured by UNEDIC (BMO annual survey (*enquête sur les besoins en main-d'oeuvre*)), hiring intentions (REPERE annual survey (*enquête sur les recrutements et perspectives d'entreprise*)) and vacancies tracked by ANPE, Eurostat job vacancies, labor-market pressures estimated by ANPE and DARES, and hiring problems reported in INSEE business surveys. The Group noted that the sources are varied and few connections are drawn between them, and that the concepts used were not always clearly defined.

- Eurostat has, however, defined what it means by a “job vacancy.” It consists of a paid job that has just been created, is unfilled, or is about to become vacant,
 - for which the employer is actively seeking or is about to actively seek suitable applicants outside the firm;
 - which the employer intends to fill either immediately or within a certain period.

As we can see, this definition has some points in common with the ILO definition of unemployment. Nevertheless, it is rather hard to grasp. Eurostat recommends that the measurements should be survey-based. DARES and INSEE supply Eurostat with the results for France from the ACEMO Survey (which yields a job-vacancy rate) and from the employment level. No figures are released for France, either by INSEE or DARES, or by Eurostat, which publishes aggregate data for EU Member States. The method used has its faults. In particular, it fails to cover small enterprises and the non-competitive sector. Moreover, as the notion is subtle to grasp, it may be misunderstood by responding firms—or understood differently from one firm to another.

- The specific dynamics of job offers posted at ANPE is interesting in itself, and as a partial reflection of jobs that are hard to fill. However, there exists a permanent, irreducible stock of job offers on hand, due to the mean time required for processing and for establishing contact between employers and applicants (just as there is an irreducible volume of jobs wanted): of the average monthly stock of about 300,000-400,000 offers at ANPE, a given fraction—which remains to be calculated in a rigorous manner—represents a frictional level of offers. By contrast, offers that remain unmet after a given period (after n months) would be an indicator of hard-to-fill jobs. More generally, some thought should be given to the introduction of indicators for analyzing the time required to meet job offers posted at ANPE: the mean time (at present, about a month and a half), and breakdown of offers in stock by length of time posted at ANPE (for example, less than a month, 1-2 months, 3 months or more).

Some Working Group participants noted that certain jobs may remain vacant because of the mismatch of profiles of persons available in the labor market, but also because of the jobs' specific characteristics, such as difficult working conditions and hours or inadequate pay.⁶⁴ Furthermore, vacancies are not an indicator of total hirings nor even of firms' total labor requirements. The reason is that vacancies posted at ANPE depend on the Agency's local coverage, and that ANPE does not handle certain categories of hirings (civil service, regulated occupations, and unsolicited applications received by businesses). As a result, the ANPE-DARES market-pressure indicator, which shows the

⁶⁴ According to one Working Group participant, some temp agencies publish fictitious offers in order to build up a file of persons whom they can contact if needed.

ratio of vacancies to demand for work registered during the month, is also a partial indicator and thus tricky to interpret.

The search for the reasons why jobs remain unfilled for long periods is highly important for the efficient functioning of the economy, and the statistical system should devote sustained attention to it.

- UNEDIC conducts an annual Labor Requirements Survey (Besoins en Main-d'Œuvre: BMO). All employers enrolled in the unemployment-insurance system are asked to indicate their hiring intentions and difficulties by skill level. The response rate in 2007 was 24%, representing a sample of about 355,000 local units.

ANPE also executes an annual Business Hirings and Outlook Survey (Recrutement et Perspectives des Entreprises: REPERE) covering 14,500 local units employing at least one person. The survey supplies an estimate of hiring intentions by firms that intend to hire as well as by firms that report hiring difficulties.

- This profusion of data and sources should be organized, the concepts clarified and ranked. We are dealing with an important area of labor-market analysis, particularly for firms and job-seekers. At this stage, the Working Group was unable to evaluate the concepts. It can only recommend conducting studies on these different notions to obtain a set of clearly defined indicators, published in a visible and coordinated format. To this end, coordination between various producer entities is highly desirable. In the longer run, official estimates should be prepared for the number of true vacancies, often the subject of spectacular announcements in the press.

Proposal 6

Conduct studies on labor demand (in particular, job offers) to produce a set of clearly defined indicators, published in a visible, coordinated manner.

Proposal 7

Clarify reasons why job vacancies remain unfilled.

h) Relevant distinctions to implement

- The CNIS "Living Standards and Social Inequality" Report examines the choice of disaggregation criteria. The authors note that the indicators calculated on the total population supply useful information, but that the latter is significantly enhanced when disaggregated results are available as well. This assumes prior identification of what seem to be the most relevant disaggregation criteria, such as sex, age, socio-occupational category, and geographic origin. The same criteria should guide us, perhaps along with other criteria linked to the subject studied. Adding educational attainment, for example, is very useful for analyzing young people's school-to-work transition.

The most commonly used age disaggregation is 15-24, 25-49, and 50-64 (sometimes with a 55-64 category). On an annual basis, it would be useful to have information on the youngest cohorts (15-29) and the oldest (50-64), broken down by five-year age groups.⁶⁵ Data by detailed age are more complex to use owing to sample size and the fitting to demographic data, performed by five-year age group and not by detailed age. However, this level of detail was provided in the former Labor-Force Survey publication and is included in "INSEE Résultats" data on the Continuous Labor-Force Survey available on the INSEE intranet. One way to minimize the problem, particularly for the oldest ages, might be to publish "core" or "standardized" employment rates⁶⁶ rather than conventional employment rates. This would obviate the effects of the demographic composition of age groups on the employment rate—for example, the fact that baby-boom cohorts are gradually reaching retirement age and altering the demographic profile of the 50-64 age group.

⁶⁵ There is also a debate over maximum age. OECD publications give 15-74 years as the range for the active population. In France, most people aged 65-74 are economically inactive, but that is not the case in all other countries.

⁶⁶ Arithmetical mean of employment rates by annual age in the specific age group (quinquennial, decennial,...).

The “Education-Employment Assessments” (Bilans Formation-Emploi) focus on the “beginners” category: age in the strict sense is not the most relevant criterion. The analyses take account of the length of people’s presence in the labor market.

Concerning skills, the CNIS “Living Standards and Social Inequality” Working Group had suggested using aggregated socio-occupational categories as a starting point, supplemented by a skilled/unskilled distinction for blue-collar workers and (as far as possible) white-collar workers (proposal 5, p. 19).

Ideally, to assess inequality of unemployment risk, we should compute a ratio of two unemployment rates, with the unemployment rate of total unskilled blue- and white-collar workers as the numerator, and the unemployment rate of management-level workers as the denominator. However, there is no unanimously accepted skills-based disaggregation of white-collar workers.⁶⁷ While voicing the strong hope that INSEE will soon specify what we should understand by skilled and unskilled white-collar workers (*employés qualifiés, non qualifiés*), the Working Group proposes, as an interim measure, the determination of the ratio of unemployment-rate inequality between total blue-collar workers (skilled/unskilled) and total management-level workers.⁶⁸

Some distinctions reflect discrimination risks, such as geographic origin combined with nationality, or persons with disabilities. Data on these aspects would be useful for learning about important dimensions of inequality, and for assessing or monitoring specific policies. Origin, rather than nationality, may allow an evaluation of unemployment among second-generation immigrants.

However, these are delicate subjects that require in-depth studies before they can be analyzed. Simple descriptive statistics can lead to errors of interpretation, owing to underlying composition effects.⁶⁹ There is often a need for analyses on an “all other things being equal” basis, along with checks on associated selection biases. In such circumstances, the use of simple indicators may create misinterpretation risks.

- For lack of time, the Working Group did not hear a full expression of regional and local needs. This point will need to be explored in greater detail later.

Proposal 8

Deepen analysis on regional and local needs for unemployment and employment statistics.

Quarterly ILO unemployment rates are prepared for metropolitan France from the Labor-Force Survey. At present, all-France rates including the overseas *départements* (DOMs) are calculated from annual DOM Labor-Force Surveys and data on changes in the number of ANPE-registered job-seekers (in categories 1, 2, and 3, excluding workers experiencing reduced activities) in the DOMs.

When the DOM Labor-Force Survey becomes quarterly—a very necessary shift—quarterly results will be available for all of France and metropolitan France. We shall also have annual-average data, including ILO unemployment rates, for each overseas *département*. This information will be fuller than that available on regions of metropolitan France, for which the Labor-Force Survey does not provide sufficiently reliable data.

⁶⁷ The most relevant segmentation—proposed by Olivier Chardon—requires information not currently provided in the 2003 official French classification of occupations and socio-occupational categories (PCS). Another possible segmentation has been suggested by Alain Chenu. It rests on the aggregation of socio-occupational categories of white-collar workers into two groups: (1) skilled workers, comprising “civil service employees,” “police and military personnel,” and “administrative employees in business firms” (52+53+54); (2) unskilled workers, consisting of “retail/wholesale trade employees” and “employees in direct personal services” (55+56).

⁶⁸ Regarding management-level employees, a Working Group member noted that they comprised categories facing very unequal unemployment risks: management-level employees in the business sector (categories 37-38) and management-level employees in the civil service and related categories (categories 33-34). This is a valid observation, but, for the purpose of constructing the inequality indicator, it is arguably preferable to view all management-level employees as a single group.

⁶⁹ For example, if the oldest employees who remain at work receive a higher average wage than other employees, it is partly due to the fact that they occupy jobs with a higher average skill level.

For metropolitan France, the only breakdowns are *local unemployment rates* (which differ from ILO rates) by region, *département*, and shortly “employment areas” (*zones d’emploi*). These rates are calculated from national ILO unemployment rate and job-seeker (DEFM) figures in categories 1, 2, and 3 excluding workers experiencing reduced activity (in September of year *n* for year *n-1*).

This situation is not satisfactory, since it makes the determination of the “unemployment rate” rely on administrative statistics for job-seekers (see §i) below on available sources). The population census should therefore be used as extensively as possible to meet this type of requirement.

The IGF-IGAS Report suggested that the census should include questions allowing the collection of data more consistent with ILO definitions. INSEE is considering the option, and conducted a pilot survey in 2007 to assess feasibility. The Working Group believes this innovation would be very useful, particularly to obtain regional and local information that could supplement and provide perspective for information from ANPE, which concerns registered job-seekers and not the ILO unemployed.

Proposal 9

If feasible, introduce questions in annual census surveys that will promote convergence toward ILO definitions of employment and unemployment.

i) Composite indicators or total indicators?

Existing total indicators include the activity rate (active population/total population), the unemployment rate, and now the employment rate (employment/total population). These are actually composite indicators that are very widely scrutinized. Should we go further and introduce, for example, an employment rate in full-time-equivalent terms? Such a rate was initially envisaged as part of the EU employment strategy, but did not have much success. Yet it would allow nuanced comparisons, which is why we discuss it below.

Among the headline indicators, we should also consider a long-term-unemployment indicator (which could be the unemployment rate among persons out of work for over a year), perhaps supplemented by a recurrent-unemployment rate, when it has been determined. From the standpoint of the jobless themselves, long-term unemployment is fraught with consequences.

Do we need an enlarged unemployment indicator in rate form? The U.S. uses nested categories up to U-6, an indicator that measures under-utilization of labor in the broad sense. The Australian alternative indicator is presented in similar fashion. In these countries, the ILO unemployment rate is the baseline indicator and is sufficiently recognized not be overshadowed by the enlarged indicator. In France, by contrast, there is a risk: might not proposing such an indicator spark a controversy whose possible backlash could undermine the acceptance of ILO definitions, which do represent genuine progress with respect to administrative indicators and “self-described” census-based rates?

Do we need an enlarged indicator in volume terms? An article by Milena Simic offers an evaluation of underemployment in working hours for the U.K.⁷⁰ The ILO resolutions consistently offer—in addition to an enumeration of individuals—the possibility of measuring work volume in hours. This option, which naturally exists for employment, may lead to proposing a (conventional) evaluation of working hours that are “missing” due to unemployment and underemployment.⁷¹ This measurement could even be extended beyond the current ILO concepts to (1) “missing” hours for economically inactive persons inside the unemployment “halo,” and (2) the hours that persons not counted in underemployment would like to add to their current working time (this category includes unavailable part-time workers and—most important—full-time workers who want to work overtime). INSEE tests show that these summary enumerations in working hours would be possible, but their significance might be hard to convey.⁷² Moreover, we would need to ensure their consistency with the other partial indicators proposed.

⁷⁰ Milena Simic, “Volume of underemployment and overemployment in the UK,” *Labour Market Trends*, October 2002.

⁷¹ On this point, see Claude Thélot, “Le sous-emploi a doublé en quatre ans,” *Économie et statistique*, no. 193-194, November-December 1986.

⁷² In the first version of U.S. alternative indicators, the determination of U-7 required assigning a weight of over one-half to part-time persons available for work and willing to work (under the assumption that part-time work, on average, represented half-time work), and it was also necessary to add these persons with their one-half

In short, while a total composite indicator seems a dream that is very difficult indeed to realize, we are left with two alternatives that are not mutually exclusive:

- to use only partial indicators (for example, ILO unemployment, halo, underemployment, precariousness, other unsatisfactory statuses), and leave social players the possibility of adding to them if they so wish (for this purpose, there will need to be a clear indication of cases where the categories used duplicate one other);
- to define aggregate indicators on which progress would be possible, such as the employment rate in full-time-equivalent terms (its gap with the employment rate provides an interesting indication in itself), or an enlarged unemployment rate in full-time-equivalent terms. The number of unemployed persons in full-time-equivalent terms would be the sum of the ILO unemployed and the underemployed, counted in proportion to their shortage of hours worked. An underemployed person working half-time would count as a "half-unemployed person" and as a "half-employed person." Using these ratios would prevent double counting. With this calculation method, persons inside the unemployment halo, between unemployment and inactivity, are not enumerated.

j) Available sources

To obtain a clear picture of the complex phenomena relating to employment and unemployment discussed above, the Working Group recommends the construction of indicators (Part IV). These are based on data from the statistical sources described in this section.

We should like to preface the discussion, however, by emphasizing that knowledge does not simply consist of statistics, even if computed with stringent methods; it is also produced through qualitative and quantitative analyses using different approaches: those of researchers and those of practitioners.⁷³ Thorough qualitative analyses and quantitative studies are essential to provide depth to the chosen indicators.

1) On unemployment: surveys and administrative statistics

Sample surveys enable statisticians to develop questionnaires tailored to specific needs, but they are costly and entail a burden for respondents. As a rule, they cannot yield regional or local results, given the sample size. In theory, administrative sources are less expensive, as the data are already collected. They are exhaustive and can therefore furnish results at all geographic levels. But they are subordinated to regulatory definitions and categories, which may not match our requirements and may hinder comparisons with other countries.⁷⁴

ILO and Eurostat prefer the use of surveys to measure unemployment. The information extracted comes from respondents themselves. Procedures in different countries are similar, and do not depend (or are not excessively dependent) on the rules applied at institutions in charge of managing unemployment.

The IGF-IGAS Report described the drawbacks of administrative statistics on job-seekers and the imprecisions of the Labor-Force Survey. The Working Group believes that ANPE and UNEDIC data, being linked to the activity of these institutions, are not suitable for measuring unemployment, although they do offer precise information on the activity of key labor-market players. Overall, as indicators, they are influenced by variations in employment policies and by administrative practices. Given job-seekers' registration behavior, the data cover a variable portion of the labor market. And the change in the number of registered job-seekers reflects the way in which ANPE records (or does not record) labor-market fluctuations.

Labor-Force Survey data do allow a reliable analysis of the total labor market. Some precautions are, however, needed in their interpretation owing to random errors (inherent in the sampling) and cluster

weighting to the denominator. This calculation method was misunderstood, which led to its exclusion from the current version of indicators U-1 through U-6. See article by Bregger and Haugen cited note 26 above.

⁷³ In this area, the Working Group allowed fruitful exchanges between statisticians, researchers, and practitioners (specialized official agencies, social partners, and non-profit organizations).

⁷⁴ Alain Desrosières, "Surveys versus administrative records: reflections on the duality of statistical sources," *Courrier des statistiques*, English series, no. 13, 2007.

effects (due to area sampling).⁷⁵ In this respect, the criticisms voiced by the IGF-IGAS Report merely corroborated, with greater emphasis, the reservations that have consistently been expressed about the use of Labor-Force Surveys. The relative imprecision of the Survey data has always been noted, and continues to be. It is better to use the results by setting them in a trend—over several years when the survey was annual, now over several quarters—instead of focusing on an isolated point in time. A medium-term analysis is more robust, as the imprecision stems from random factors that shift the data sometimes in one direction, sometimes in another.

Working Group members recognize that administrative data remain essential at local level, for they are the only source available on this particular aspect of the labor market. Nevertheless, the bias can be even greater locally than at national level. If the Group strongly downplays the relevance of administrative data at national level (at least as a short-term unemployment indicator), but recognizes their crucial role at local level, it is because we approach the issue in terms of ranking: for each aggregate, we recommend the use of the most relevant indicator available: at national level, the Labor-Force Survey; at local level, ANPE data. Moreover, local players are in the habit of using the number of ANPE-registered job-seekers, and are probably capable of interpreting it on the basis of their concerns and in light of their “direct” field knowledge.

There are two prerequisites for using administrative data. The first is the availability of direct, real-time information on changes due to the monitoring of and support for job-seekers, and the ability to assess the impact of these changes: this is a form of internal quality control, and is what DARES performed in 2007. The second prerequisite is cross-tabulation with external data and an analysis of overlaps and gaps: this represents an overlapping external quality control of the two sources being collated.

For these reasons, despite conceptual differences, the Group strongly recommends further expert analysis of ANPE data, as well as comparisons between ANPE data, Labor-Force Surveys, and annual census surveys, to ensure that local players are warned of potential biases in the data they use.

The non-overlap between ILO unemployment and ANPE-registered job-seekers was subjected to regular measurement at a very early date.⁷⁶ There are unemployed persons who do not resort to ANPE to seek (and find) work. Individuals who, in any event, are ineligible for any benefits have no special incentive to use ANPE. On the other hand, some persons registered as job-seekers may fail to satisfy one or more of the ILO criteria required for classification as unemployed. Further such analysis of the overlap between registered job-seekers and unemployed persons remains essential for understanding the gaps between the two indicators.

The IGF-IGAS Report even recommends matching, on a test basis, a sample of Labor-Force Survey respondents with the job-seeker database. This investigation would be most valuable, and the Group endorses the IGF-IGAS proposal.

2) On employment: primary sources and constructed sources

Regarding employment data,⁷⁷ we must distinguish between primary sources and constructed sources, which consist mainly of employment estimates. Short-term primary sources are the “Labor Activity and Working Conditions” Survey (ACEMO), UNEDIC employment data, and data extracted by INSEE from URSSAF forms. Structural primary sources comprise employers’ annual declarations of payroll data (DADSS), data extracted from civil-service pay slips, and the COLTER survey on local government bodies (*collectivités territoriales*). As regards administrative data, statisticians often

⁷⁵ The quarterly change in the unemployment rate is estimated to within +/-0.3 points (95% confidence interval). However, we should stress that there is no equiprobability in this interval. The true value is more likely to lie toward the center of the distribution than near its margins, since it is a Gaussian distribution.

⁷⁶ The gap was first analyzed in the 1970s by Gérard Vanderpotte, then on the faculty of the University of Lille, from “census unemployment” figures, i.e., population available for work and seeking work, designated by the French acronym PDRE. The gap was re-examined in the early 1980s (Thélot and Marchand, 1983) and the analysis has been regularly updated since. For recent measures, see Nauze-Fichet and Gonzales-Demichel, 2003 and INSEE’s *Note de conjoncture*, July 2007.

⁷⁷ Gathered from administrative sources and surveys of business firms, since our overview includes two surveys: ACEMO and COLTER.

“reformat” them for their own needs after the collection and transmission stages⁷⁸ (DADSs, URSSAF forms). Most primary sources enumerate job positions.

The main constructed source consists of employment estimates used for the short-term tracking of employment. The estimates are expressed in numbers of persons. This compilation of sources provides inputs for the “Employment” chapter of INSEE’s quarterly economic outlook (*Notes de conjoncture*) and national accounts. Employment estimates provide a picture of employment at local level (regions and *départements*) and allow breakdowns at detailed industry level. Estimates are obtained by taking employment levels in general population censuses (the latest took place in 1999) as the reference, and applying annual and quarterly indices of changes in employment to them. These indices are based on a compilation of data from several statistical sources, including URSSAF, UNEDIC, the Agricultural Mutual Insurance Fund (Mutualité Sociale Agricole: MSA), and central-government payroll records.

Beginning in mid-2009, the employment series will no longer be fitted to census data. The new reference source will be the DADS forms. They will form the basis of a new employment estimation system called the “Local Employment Estimates” project (French acronym: ESTEL), most of whose quarterly data will be extracted from URSSAF files (and ACOSS files for non-payroll workers).

The table below matches the fields of study against the relevant sources.

The ANPE-UNEDIC merger will create a convergence of information sources and of studies hitherto conducted by the two agencies separately. The change will impact the French statistical system. It will be important to ensure the new data’s consistency with data from other sources.

⁷⁸ Alain Desrosières, article cited in note 74 above.

Fields of study matched against relevant statistical sources

Source → Field	Labor- Force Survey	Census	SRCV (French SILC)	"Cohorts" Surveys	ANPE	UNEDIC	ACEMO Survey	URSSAF	Employ- ment estimates	DMMO- EMMO	DADSS
Unemploy- ment, length of unemploy- ment	Quarterly ILO unemploy- ment, France (microdata on metro- politan France)	Annual declared unemploy- ment (data averaged on 5 years) France, regions, local data	Proxy annual ILO unem- ployment) metro- politan France								
Unemploy- ment boundaries (halo, under- employment, unsatis- factory employ- ment)	Quarterly (annual for detailed break- downs)										
Job-seekers					Monthly labor- market statistics (STMT) France, regions, local data						
Unemploy- ment compensa- tion			Annual metro- politan France			Monthly, France, regions, local data					
Employment -related household resources			Annual metro- politan France								
Job offers, vacancies					Monthly STMT France, regions, local data Business Hirings and Outlook Survey (REPERE)	Labor Require- ments Survey (BMO)	Question on unfilled jobs (for Eurostat)				
Recurrence of unemploy- ment	Annual, metro- politan France		Annual, metro- politan France								
Recurrence of registration as job- seeker					Annual series (FHS) France, regions, local data						
Entries into - exits from job-seeker rolls					Monthly STMT + ANPE- DARES Survey on leavers to be set up for entrants Quarterly France						

Source → Field	Labor- Force Survey	Census	SRCV (French SILC)	"Cohorts" Surveys	ANPE	UNEDIC	ACEMO Survey	URSSAF	Employ- ment estimates	DMMO- EMMO	DADSS
Transitions between statuses (employ- ment + breakdown by status, unemploy- ment, inactivity)	Annual retro- spective Quarterly on pseudo- panel		Annual + multi-year analysis of panel traject- ories Metro- politan France	Persons having recently left initial education system Multi-year traject- ories							
Change in employment		Individuals (data averaged on 5 years)				Job positions Quarterly (incom- plete field) annual (total field) France, regions	Job positions Quarterly (incom- plete field) France	Job posi- tions Quar- terly (incom- plete field) France, regions	Individual s Quarterly (incomple te field) annual (total field) France, regions, "employ- ment areas" (ZEs)		
(Paid) employment entry and exit flows										Job positions Quarterly France, regions, local data	
Job structure (age, skills, status, length of employment, pay)	Data on an annual- average basis (4 quarters) Metro- politan France	Individuals (partial data, averaged on 5 years)									Field: employ- -ees France, regions , local data

IV - Establish a consistent, well-ordered set of indicators to satisfy users' different needs

The Working Group proposals on indicators are unevenly detailed: many indicators are fully described; for others, we only suggest guidelines. In areas requiring thorough expert assessment and study, we were unable to specify the indicators needed. We trust that statisticians will perform such work and produce the most relevant indicators in the areas concerned. In a small number of cases, the Group was unable to examine the concepts. It recommends that a review be promptly undertaken so as to develop a set of coordinated indicators. This applies to firms' labor requirements and local labor-market statistics. These two topics, discussed in Part III, are not covered by our proposals for indicators in Part IV below. The recommendations that follow accordingly concern the national level only.

a) Static approach: a sequence of snapshots

1) Unemployment

INSEE has been publishing the ILO unemployment rate every quarter since December 2007. It is used for short-term analysis, most notably in INSEE's quarterly economic outlook (*Note de conjoncture*) and structural analysis. The scope of coverage is twofold: (1) metropolitan France (mainland and Corsica) plus the overseas *départements* (DOMs)—hereafter simply “France”—and (2) metropolitan France alone. For the time being, however, DOMs are covered only by an annual survey. Quarterly estimates are largely prepared from data on ANPE-registered job-seekers in categories 1, 2, and 3 not experiencing reduced activity. Moreover, coverage is limited to private households. Institutional households such as young workers' hostels and university residences are not surveyed.

INSEE has launched a large-scale project to improve its ILO-unemployment estimation system. First, the survey sample will be expanded 50% to increase estimation accuracy. The process will begin in Q1 2009 and will last for six consecutive quarters. Second, the continuous survey will be extended to the DOMs, and the possibility of covering institutional households will be examined. INSEE will pursue other goals including: switch to monthly data processing in order to produce monthly results on three-month moving periods; improvement of survey questionnaire (particularly the telephone questionnaire); improvement of protocol for monitoring collection quality; use of the Internet as medium for collecting survey data from non-respondents. Project completion is scheduled for early 2012.

The quarterly publication includes a breakdown of ILO unemployment-rate data by sex and age (three age groups). To indicate the precision of the quarterly unemployment-rate estimate (and the change in the deviation), its standard deviation is published quarterly.

The Group approves the use of the Labor-Force Survey for tracking not only structural unemployment but also short-term unemployment. We also believe it is essential for the overseas *départements* to be treated identically to those of metropolitan France.

Proposal 10

Make ILO unemployment, determined from the Labor-Force Survey, the benchmark indicator for short-term changes in unemployment.

Proposal 11

Continue improving quarterly Labor-Force Survey and extend it to overseas départements (DOMs), so as to produce the indicators recommended later in the Report.

However, we recommend making other unemployment-rate breakdowns available in well-identified publications, for which an annual frequency seems adequate. It would be useful for such a publication to provide an unemployment rate by skill level (at an aggregate level). As the CNIS “Living Standards and Social Inequality” Report advised, INSEE should publish the ratio of the unemployment rate of

managerial workers to that of blue-collar workers.⁷⁹ Given the many requests on the subject received by the statistical system, it would be also useful to have an unemployment rate for the disabled. This would require adding several questions to the Labor-Force Survey.

The Group believes that it would be useful to construct an enlarged unemployment rate in full-time-equivalent terms, which would be the counterpart of the employment rate in full-time-equivalent terms (see below). The enlarged unemployment rate in full-time-equivalent terms is the ratio of the number of unemployed persons in full-time-equivalent terms to the active population. The number of unemployed persons in full-time-equivalent terms is equal to the number of ILO unemployed plus the underemployed (see below), prorated by the shortfall in their hours worked. A person working half-time in underemployment would thus be counted as a “half-unemployed” person. The construction of this new indicator calls for feasibility studies. If the data allow, the indicator should be quarterly.

Proposal 12

Publish annual unemployment rates by skill level; construct an unemployment rate for persons with disabilities; construct an enlarged unemployment rate in full-time-equivalent terms.

The table below summarizes the proposed arrangement. Alongside our recommendations for new statistics, it shows the statistics already published in well-identified or less visible form. It thus provides a map of the total set of labor-market indicators that the Working Group is aiming for.

Unemployment

Chosen variable	Source	Main disaggregation criteria	Geographic coverage	Frequency
Number of unemployed and Unemployment rate	Labor-Force Survey	Total Sex, age	France Metropolitan France	Quarterly
Enlarged unemployment rate in full-time-equivalent terms	Labor-Force Survey	Total Sex, age	France Metropolitan France	Quarterly
<i>Number of unemployed and Unemployment rate</i>	<i>Labor-Force Survey</i>	<i>Skills</i>	<i>Metropolitan France In the longer run: all France⁸⁰</i>	<i>Annual</i>
<i>Unemployment rate of managerial workers / unemployment rate of blue-collar workers</i>	<i>Labor-Force Survey</i>		<i>Metropolitan France In the longer run: all France</i>	<i>Annual</i>
Number of unemployed and Unemployment rate	Labor-Force Survey	Handicap	Metropolitan France In the longer run: all France	Annual

Note: new features are in boldface; what is already available but should be made more visible is in italics

2) Underemployment

Like unemployment, underemployment has an international definition. According to the 1982 ILO resolution,⁸¹ it consists of persons working part-time non-voluntarily who are willing to work more hours and are available to do so or are seeking to do so, plus persons who have non-voluntarily worked less than usual (for example, owing to partial unemployment).

Since December 2007, INSEE has been publishing a quarterly underemployment rate (ratio of number of persons in underemployment to number of employed persons), broken down into three subsets:

- part-time workers, willing to work more, available to do so, **and** seeking another job
- part-time workers, willing to work more, and available to do so but not seeking another job **or** seeking another job but unavailable

⁷⁹ These data are already available on the INSEE website (“INSEE Résultats - données détaillées” [detailed data] series).

⁸⁰ When the coverage of DOMs matches that of *départements* in metropolitan France, it will be possible to prepare the same breakdowns for France.

⁸¹ See Part III.

- full-time or part-time workers having worked fewer hours than usual for economic reasons.

The second group is by far the largest. The data are currently provided for metropolitan France only. This INSEE innovation is a major advance toward a better understanding of the diversity of labor-market situations.

The Group recommends that INSEE should compile the longest possible series on underemployment. In the longer run, it would be desirable for the series to cover France, when the quarterly Continuous Labor-Force Survey is extended to the DOMs. The Group proposes a breakdown of these data by sex and age, on a quarterly basis, as is done with the unemployment rate. An annual breakdown of the underemployment rate by skill level would also be useful.

Proposal 13

Construct the longest possible series on underemployment; disaggregate underemployment quarterly by sex and age, and annually by skill level.

The table below summarizes the proposed arrangement (partly achieved):

Underemployment

Chosen variable	Source	Main disaggregation criteria	Geographic coverage	Frequency
Number	Labor-Force Survey	Total Sex, age	Metropolitan France In the longer run: all France	Quarterly
Underemployment rate (% of employed population)	Labor-Force Survey	Total Sex, age	Metropolitan France In the longer run: all France	Quarterly
Number	Labor-Force Survey	Skills	Metropolitan France In the longer run: all France	Annual
Underemployment rate (% of employed population)	Labor-Force Survey	Skills	Metropolitan France In the longer run: all France	Annual

Note: new features are in boldface

3) Halo around unemployment

The halo around unemployment is defined as the set of intermediate statuses between unemployment and inactivity. It is the counterpart to underemployment, which lies between unemployment and employment. Since December 2007, INSEE has been publishing quarterly data on the halo for metropolitan France using the Labor-Force Survey. The aggregate comprises persons without work who are willing to work but are not actively seeking another job **or** are not available for work. Under the ILO definition, they are economically inactive. Nevertheless, in varying degrees, they are attached to the labor market. The halo is broken down into three subsets, ranging beyond ILO unemployment:

- persons without work, willing to work, available for work in the next two weeks, but not having actively searched for a job in the previous month;
- persons without work, willing to work, unavailable for work in the next two weeks, having actively searched for a job in the previous month;
- persons without work, willing to work, unavailable for work in the next two weeks, and not having actively searched for a job in the previous month.

The first subtotal comprises—without distinguishing between them—discouraged workers, workers prevented from accepting jobs because of special circumstances (such as lack of child care or transportation), and workers currently not seeking work. Discouraged workers believe their search would be fruitless because of economic or labor-market conditions. Workers currently not seeking work may have stopped searching because they await the outcome of earlier steps.

The data supplied are the number of persons in the three categories and the share of the total halo in the population aged 15 years or more, as well as the share of the halo in the active population plus the economically inactive willing to work. The scope of coverage is metropolitan France. The three groups are roughly identical in size. It would be useful to have a series as long as possible on the unemployment halo.

It would also be desirable, in the longer run, to cover all of France, and not only metropolitan France, when the quarterly Continuous Labor-Force Survey is extended to the DOMs. This INSEE innovation is a major advance as well, which the Working Group welcomes. The Group asked whether it would be useful to subdivide the first subtotal between discouraged workers, prevented workers, and workers currently not seeking work. INSEE representatives ran the figures for Q2 2007. It emerged that the number of discouraged workers was relatively small.⁸² We concluded that the breakdown was not required on a quarterly basis but would be valuable on an annual basis. However, the Group recommends an annual breakdown of these data by sex and age.

Proposal 14

Construct the longest possible series on the “halo” around unemployment; disaggregate series on the unemployment halo by sex and age annually; classify persons in the halo according to whether they are discouraged, prevented, or not seeking work (annually).

The table below summarizes the proposed arrangement (partly achieved):

Halo around unemployment

Chosen variable	Source	Main disaggregation criteria	Geographic coverage	Frequency
Number of persons without work, willing to work	Labor-Force Survey	Total	Metropolitan France In the longer run: all France	Quarterly
Of which:				
Available and no active search	Labor-Force Survey	Total	Metropolitan France In the longer run: all France	Quarterly
Unavailable and active search	Labor-Force Survey	Total	Metropolitan France In the longer run: all France	Quarterly
Unavailable and no active search	Labor-Force Survey	Total	Metropolitan France In the longer run: all France	Quarterly
Share of persons without work and willing to work in population aged 15+	Labor-Force Survey	Total	Metropolitan France In the longer run: all France	Quarterly
Share of persons without work and willing to work in the active population plus inactive persons willing to work	Labor-Force Survey	Total	Metropolitan France In the longer run: all France	Quarterly
Indicators above	Labor-Force Survey	Sex, age	Metropolitan France In the longer run: all France	Annual
Number of persons without work, willing to work: - discouraged workers - prevented workers - workers currently not seeking work	Labor-Force Survey	Total	Metropolitan France In the longer run: all France	Annual

Note: new features are in boldface

⁸² The Labor-Force Survey found 62,000 discouraged workers and 132,000 prevented workers in Q2 2007.

4) ANPE-registered job-seekers

ANPE-registered job-seekers as well as persons exempted from job-seeking form a group with distinctive ties to the labor market. There was intense debate in the Working Group about how information on these persons should be used. Nevertheless, all members agreed that these data cover several phenomena that are hard to tell apart: structural and short-term changes in the labor market, changes in job-seekers' registration behavior, and institutional changes. These different factors cannot be separated in real time. Even in retrospect, the task may prove impossible. DARES presented studies conducted in summer 2007 on data for 2005-2006, which were able to measure the effect of selected factors such as the change in procedures for managing job-seeker rolls and the change in procedures for supporting and tracking job-seekers. However, these studies did not allow DARES to evaluate all the effects. In particular, the impact of the 2003 unemployment-insurance reform is undetermined. Its measurement would have required estimating the number of job-seekers that would have been observed absent the reform. That is not an easy task. How can we know, for example, who decided not to register at ANPE because their eligible benefits had been reduced?

Consequently, all Working Group members felt that these data were mostly useful for monitoring ANPE action. Some members believe that they can serve to track labor-market conditions despite the bias they can display in certain periods. Other members argue, instead, that the data cannot be used to monitor the labor market.

In keeping with the advice it has consistently expressed in its Report, the Group therefore recommends that these publications should very explicitly mention the nature of the data, what they cover, what they do not cover, and the factors that may have affected them. It must be clearly stated that the data concern ANPE-registered job-seekers at the end of the month, who are not necessarily unemployed. Some job-seekers work, others would be classified as inactive by the ILO; some are not legally obliged to be available for work, others are not required to seek work. For persons exempted from job-seeking, the publications must specify that they are ANPE-registered job-seekers who enjoy the exemption because of their age and are consequently removed from ANPE rolls. These persons may or may not receive unemployment benefits from UNEDIC. Many factors can influence these data, as the recent past has shown and as the future will probably show again.

The Group also recommends a change in the title of the monthly DARES-ANPE publication. The current title, "The labor market [name of month]...", should be modified to specify that the data concern ANPE-registered job-seekers. As the Muet-Mariton Report advised, the new title should read "ANPE-registered job-seekers at the end of [name of month]..." If the publication were to include vacancies (as in the present framework), then the title should be changed to: "ANPE-registered job-seekers and vacancies posted at ANPE at the end of [name of month]..."

A ministerial decision of May 5, 1995, classified job-seekers into eight categories that have not been modified since. Their definition is based on a combination of the following criteria:

- employment status: a person is said to be "without work" if (s)he is not engaged in any occupational activity or is engaged only in reduced activity not exceeding 78 hours monthly (equivalent to a half-time job on the basis of a full-time job comprising 4 weeks a month of 39 hours each);
- availability: the job-seeker is required to be "immediately available" if (s)he is "without work" under the previous definition, is not enrolled in a training program, and is able to take up a job promptly;
- type of employment sought: search for full-time or part-time job of unlimited duration, or search for full-time or part-time fixed-term job, temporary or seasonal;
- job-seeker required to prove active job search, or exempted from that obligation.

All these criteria are very different from those of the ILO: for availability and active job search, they consist of legal obligations contained in the Labor Code and not of a statistical observation based on responses to a set of questions. In particular, statements by job-seekers ineligible for unemployment benefits may not reflect reality, given the lack of financial consequences: above a certain threshold of activity, benefits are stopped and eligibility is deferred.

Categories 1-3 comprise persons who describe themselves as “without work” under the definition above and are required to be “immediately available” and to show proof of “active job search.” Category 1 includes persons seeking full-time open-ended employment, category 2 those seeking part-time open-ended employment, and category 3 those seeking full-time or part-time fixed-term employment.

Categories 4 and 5 include persons who are seeking work but are not required to be available and to prove active job search. Category 4 consists of persons without work, who are unavailable for various reasons (such as internship, training program or illness) but are seeking work. Category 5 includes persons in employment (often on subsidized contracts) who are looking for another job. These two categories pose a specific tracking problem. Recipients of the benefit called “subsidy for return to employment through training” (Aide au Retour à l’Emploi en Formation: AREF) and persons employed on subsidized contracts under the Social Cohesion Plan (Plan de Cohésion Sociale) are required to report their status monthly. That is not case for other job-seekers in categories 4 and 5. As a result, the month-end number of registered job-seekers in categories 4 and 5 may diverge from reality.

Categories 6, 7, and 8 comprise persons required to perform active job search and engaged in reduced activity exceeding 78 hours monthly. Under this criterion, they are not required to be immediately available. As with categories 1-3, persons are distinguished by the type of work contract they are seeking (category 6: full-time open-ended contract [CDI]; category 7: part-time CDI; category 8: fixed-term contract [CDD]).

Persons in categories 1-3 may or may not be engaged in heavily reduced activity, up to 78 hours monthly. For each of these categories, a breakdown is available between “engaged or not engaged in reduced activity not exceeding 78 hours.”

Statistics on job-seekers are compiled monthly from the ANPE’s Monthly Labor-Market Statistics (Statistiques Mensuelles du Marché du Travail: STMT), seasonally and working-day adjusted by DARES.

The Working Group recommends the following substantial changes in DARES and ANPE data publication:

- Cover all categories of jobs wanted as well as persons exempted from job-seeking (as is already the case).
- No longer focus information on category 1 but place greater emphasis on the total of categories 1, 2, 3, 6, 7, and 8.
- Give fuller information on benefits.
- Supply all data seasonally adjusted and, where appropriate, working-day adjusted.
- However, supply raw data for major categories so as to illustrate ANPE activity.
- Cover overseas *départements* (DOMs) for selected broad aggregates (seasonally adjusted).

For the clarity of data presentation and of the ensuing publications, we recommend consolidating certain categories and tracking the following subsets, designated by capital letters:

- Category A: total ANPE-registered job-seekers without work, required to be available and to prove active job search (categories 1, 2, 3 excluding workers experiencing reduced activity);
- Category B: total ANPE-registered job-seekers engaged in “heavily” reduced activity (less than 78 hours worked/month) (workers in categories 1, 2, 3 experiencing reduced activity);
- Category C: total ANPE-registered job-seekers engaged in “moderately” reduced activity (78+ hours worked/month) (categories 6, 7, 8).
- Categories A, B, and C: total ANPE-registered job-seekers engaged in active job search (categories 1, 2, 3, 6, 7, 8).
- Category D: ANPE-registered job-seekers, not required to be available and to engage in active job search for various reasons (category 4).
- Category E: ANPE-registered job-seekers, not required to be available and to engage in active job search (category 5).
- Categories A, B, C, D, E: total ANPE-registered persons (categories 1, 2, 3, 4, 5, 6, 7, 8).
- Persons receiving benefits from UNEDIC but exempted from job search.⁸³

⁸³ The stock of persons not required to seek work but not receiving benefits is not enumerated. UNEDIC does not keep a record, precisely because these persons are not collecting benefits. ANPE counts only the persons

The commentary on the front page of the publication should describe the main changes in the broad categories above and point out any links between them such as the decrease in one category to the benefit of another. At this stage, no breakdown by sex or age will be provided.

To avoid weighting down the publication, it is necessary to choose a total for which additional information will be provided: unemployment benefits or not, breakdown by sex and age, geographic coverage for metropolitan France and DOMs. We have chosen the aggregation of categories 1, 2, 3, 6, 7, and 8, which covers job-seekers required to engage in active job search: persons in categories 4 and 5 are not required to do so, and pose specific tracking problems, as discussed earlier. Moreover, as we shall see, the data on ANPE entries and exits are consistent with these boundaries.

The Group recommends that ANPE should enhance its information system in order to build new indicators on work contracts for job-seekers experiencing reduced activity, by type of work contract (temporary work, short fixed-term, long fixed-term, open-ended, part-time, etc.).

Proposal 15

Change title of monthly publication to ANPE-registered job-seekers at the end of [month]; state the nature of the data very clearly: what they cover, what they do not cover, and factors that may have influenced them.

Cease focusing on category 1, but place greater emphasis on registered job-seekers engaged in active job search (categories 1, 2, 3, 6, 7, and 8); consolidate current categories into category A (registered job-seekers out of work), category B (registered job-seekers experiencing heavily reduced activity [less than 78 hours worked/month]), category C (registered job-seekers experiencing moderately reduced activity [78+ hours worked/month]); enhance ANPE information system so as to construct new indicators spelling out types of work contracts held by job-seekers experiencing reduced activity; cover overseas départements (DOMs) for selected broad categories, with seasonally adjusted data.

removed from its rolls because they have been exempted from the job-search requirement, regardless of whether or not they are collecting benefits.

The table below summarizes the proposed arrangement (partly achieved):

ANPE-registered job-seekers and persons exempted from job-seeking

Chosen variable	Source	Main disaggregation criteria	Geographic coverage	Adjustment	Frequency
Registered job-seekers engaged in active job search	Monthly labor-market statistics (STMT)	Total Sex, age	Metropolitan France France	SA raw	Monthly
Registered job-seekers engaged in active job search	STMT	Regions		Raw	Monthly
Persons registered at ANPE	STMT	Total	Metropolitan France	SA raw	Monthly
Of which:					
Breakdown of 8 categories	STMT	Total	Metropolitan France	SA	Monthly
Registered job-seekers without work	STMT	Total	Metropolitan France	SA	Monthly
Registered job-seekers experiencing “moderately” reduced activity	STMT	Total	Metropolitan France	SA	Monthly
Registered job-seekers experiencing “heavily” reduced activity	STMT	Total	Metropolitan France	SA	Monthly
Exempted from job-seeking requirement and collecting benefits	UNEDIC	Total	Metropolitan France	SA	Monthly
Registered job-seekers engaged in active job search and collecting benefits	UNEDIC	Total, by benefit program (RAC, ASS), sex, age	Metropolitan France	SA	Monthly
Coverage ratio of benefits for registered job-seekers engaged in active job search	UNEDIC	Total, by benefit program, sex, age	Metropolitan France	SA	Monthly
Registered job-seekers experiencing reduced activity	STMT	Types of contracts	Metropolitan France	SA	Monthly

Note: new features are in boldface

Given the analysis still needed—which we strongly recommend—of vacancies posted at ANPE and the indicators for vacancies and hiring problems, the Group was unable to propose indicators in this field. After a review of the sources available, their complementarity, and their consistency, indicators should be provided for vacancies and unfilled jobs.

5) Employment

INSEE uses two types of sources to track employment, depending on how the statistics are to be used. Changes in the number of employed persons for short-term and macroeconomic analysis are tracked using administrative sources from employers; the description of job characteristics is based on the Labor-Force Survey (using rates or proportions).

- **Change in number of employed persons**

The first data on changes in employment come from the ACEMO Survey conducted by DARES. About 45 days after the end of each quarter, the Survey provides the change in paid employment in principally market sectors. These data are replaced 70 days after the end of the quarter by INSEE’s “employment estimates” based on administrative data. As already noted, the system established by INSEE to exploit administrative data is complex. The Institute consolidates a number of sources of different origins. Quarterly data are supplied for the “competitive” sector, i.e., for employees of the

private market sector and of the private subsector of non-market sectors (such as health) in metropolitan France. An annual estimate only is supplied for public-sector employment, agricultural employment, non-payroll workers and total employment in the DOMs. All these data are still fitted to 1999 census data. The procedure allows the inclusion of “multi-activity” (i.e., persons engaged in multiple activities), but this requires assuming stable behavior—a hypothesis whose fragility increases as the distance from the census date grows.

INSEE will continue to improve its system in 2008 and 2009, with better coverage of persons employed by individuals (taking their frequent multi-activity into account), and extending the quarterly estimates to employees in agriculture and civil servants. In 2009, the Institute’s ESTEL program will produce local employment estimates. The new system will chiefly rely on DADS forms. Each year, all administrative statistics on paid employment and non-payroll employment will be consolidated with checks on multi-activity, in order to form an exhaustive annual base that will replace the 1999 census. From the base, quarterly variations in paid employment will be compiled from quarterly administrative statistics on the total field of payroll employment. Starting in 2009, therefore, employment estimates based on administrative sources will be exhaustive on an annual basis and will track total paid employment on a quarterly basis. We should note that these sources presently undergo, and will continue to undergo, major adjustments to achieve consistency with statistical concepts: handling of multi-activity, shift from the concept of job position to a concept of employment focused on the individual.

This exhaustiveness is what justifies INSEE’s use of administrative data rather than the Labor-Force Survey for assessing employment for purposes of macroeconomic analyses, all the more so as consistency with the accounts of the enterprise sector is crucial. A survey such as the Labor-Force Survey would be less precise than these administrative data, once they have been aligned with standard statistical concepts.

Another justification is the fact that administrative data, unlike Labor-Force Survey data, can be broken down by sector.

At present, quarterly paid employment is disaggregated by activity sector. Annual employment is broken down by *département*, “employment area,” activity sector, and sex. Eventually, under the ESTEL program, INSEE will cross-tabulate the data by *département* and activity sector (at level 16 of the French classification of economic activities), with a further breakdown by sex and age group.

INSEE does not yet publish the employment breakdown by enterprise size. The Institute would like to move toward that goal, but one must recognize the difficulty involved in crossing thresholds, which complicates the interpretation of the employment series by size category.

Under the new ESTEL system and more generally, INSEE intends to promote a very extensive use of DADS forms in the field of employment and not only of wages—an initiative that the Working Group strongly encourages. If adopted, it may yield very full information on work contracts, workforce age distribution in individual firms, and socio-occupational categories. INSEE is also planning a retrospective computation, from DADS data on employment spells, of quarterly employment volume (in numbers of hours). For comparisons with GDP growth, this aggregate would be more relevant than the change in employment stock between two dates. However, these projects require substantial preliminary expert assessment and comparisons between sources; firms also need time to adjust to new DADS completion procedures, which would require them to list types of work contracts, reasons for hirings and separations, and other information. The Group believes that these projects are extremely worthwhile. Consequently, it has not prepared specific recommendations for suitable indicators, but encourages INSEE to shorten its production time to 15 months from the current 18 months or so after the end of the year covered.

Proposal 16

Give INSEE the means to improve its system for measuring the number of employed persons; promote use of data from DADSs and shorten production times.

The table below summarizes the proposed arrangement (partly achieved):

Change in number of employed persons

Chosen variable	Source	Sector(s) covered	Main disaggregation criteria	Geographic coverage	Frequency
Change in paid employment	Administrative data	Market sectors	Total, activity sectors	Metropolitan France	Quarterly
Change in paid employment and non-payroll employment	Administrative data	Total	Activity sectors, <i>départements</i> , employment area, sex	Metropolitan France France	Annual
In the longer run:					
Change in paid employment	Administrative data	Total paid employment	Total, activity sectors, and <i>départements</i>	Metropolitan France	Quarterly
Change in paid employment and non-payroll employment	Administrative data	Total	Activity sectors <i>départements</i>, employment area, sex, age	Metropolitan France France	Annual

Note: new features are in boldface

• Job characteristics

The detailed description of employment and its different characteristics is chiefly supplied by the Labor-Force Survey. Indeed, the Survey is the essential source for studying structural phenomena as well as short-term developments such as changes in the employment rate.

Since December 2007, INSEE has been publishing quarterly employment rates by sex and age group. They consist of the number of employed persons divided by the total population. The Group recommends the additional publication of quarterly full-time employment rates (ratio of number of full-time employed persons to total population) and part-time employment rates (ratio of number of part-time employed persons to total population). The Group invites INSEE to examine the possibility of producing an employment rate in full-time-equivalent terms, with breakdowns by sex and age group. The number of employed persons in full-time-equivalent terms is the number of persons who would be working full-time to supply the same number of hours of work as persons actually in employment. This measure takes into account the number of part-time workers as well as the proportion of part-time work. This evaluation requires expert assessment of the Survey data, particularly with regard to the proportion of part-time work. Such information would be especially valuable for international comparisons, notably at EU level, where the indicators should be promoted.

The Group further recommends that INSEE publish “core” or “standardized” employment rates by age group and sex, defined as the arithmetical mean of employment rates by annual age in the specific age group (quinquennial, decennial,...). These rates are independent of the demographic structure of age groups, making it possible to identify changes in behavior.

The Group recommends that INSEE supply, in a fuller and more visible format, an annual breakdown of employment, from Labor-Force Survey data, using the following criteria besides the standard age and sex criteria:

- work contracts: full-time open-ended contracts (excluding subsidized contracts), part-time open-ended contracts (excluding subsidized contracts), fixed-term contracts (excluding subsidized contracts), subsidized contracts, temporary-work contracts, and internships,⁸⁴ with the necessary aggregations given the Survey’s precision
- part-time, full-time
- skill level

⁸⁴ The quarterly ACAMO Survey also supplies the percentage of fixed-term contracts (CDDs) and part-time workers, but in a narrower scope of coverage (competitive-sector enterprises with 10+ employees).

- length of employment in the firm⁸⁵
- night work, Sunday work, or work habitually exceeding 45 hours a week, as working-condition indicators.⁸⁶

Proposal 17

Enhance the analysis of employment, by breaking down employment rate into full-time employment rate and part-time employment rate by sex and age; to this end, compute quarterly employment rate in full-time-equivalent terms by sex and age.

Proposal 18

Supply annual breakdown of employment by type of work contract and skill level, as well as indicators for specific aspects of working conditions and length of employment in firm (average length and breakdown).

The table below summarizes the proposed arrangement (partly achieved):

Job characteristics

Chosen variable	Source	Sector(s) covered	Main disaggregation criteria	Geographic coverage	Frequency
Employment rate	Labor-Force Survey	Total	Total, Sex, age, full-time/part-time	Metropolitan France In the longer run: all France	Quarterly
Employment rate in full-time-equivalent terms	Labor-Force Survey	Total	Total, Sex, age	Metropolitan France In the longer run: all France	Quarterly
“Core” employment rates	Labor-Force Survey	Total	Total, Sex, age	Metropolitan France In the longer run: all France	Quarterly
Employment breakdown	Labor-Force Survey	Total	Sex and age group, type of work contract, part-time/full-time, <i>qualification, length of employment in firms, working conditions</i>	Metropolitan France In the longer run: all France	Annual
Mean length of employment in firm	Labor-Force Survey	Total	Private sector, public sector	Metropolitan France In the longer run: all France	Annual

Note: new features are in boldface; features that are already available but should be made more visible are in italics

• Employed persons who want to change jobs

The Labor-Force Survey also captures employed persons who want to change jobs. It should be noted that this aggregate includes a proportion of persons in underemployment. This potentially very rich information has not yet been tapped. The Working Group accordingly realizes that INSEE statisticians may amend its proposals depending on the conclusions of their expert review of the data.

The Group recommends a quarterly count of employed persons who want to change jobs, with an annual breakdown by type of work contract and, if possible, cross-tabulation by sex and age.

The Group also recommends an annual count of employed persons who want to change jobs, with a breakdown by reason for wanting the change:

- risk of losing current job
- want more interesting jobs or ones that better matches their skills

⁸⁵ If possible for the private sector and public sector separately.

⁸⁶ These questions are already included in the Labor-Force Survey.

- want a different pace of work
- current working conditions involve hardship, or want working conditions better suited to their health
- want better pay.

Proposal 19

Produce annual indicators on employed persons who would like to change jobs, classified by type of contract, with a breakdown by sex and age, and by reason for wanting the change.

The table below summarizes the proposed arrangement:

Employed persons wanting to change jobs

Chosen variable	Source	Sector(s) covered	Main disaggregation criteria	Geographic coverage	Frequency
Number of employed persons wanting to change jobs	Labor-Force Survey	Total	Total	Metropolitan France In the longer run: all France	Quarterly
Number of employed persons wanting to change jobs	Labor-Force Survey	Total	Total, Type of contract, sex age	Metropolitan France In the longer run: all France	Annual
Number of employed persons wanting to change jobs	Labor-Force Survey	Total	Reasons for wanting to change jobs	Metropolitan France In the longer run: all France	Annual

Note: new features are in boldface

b) Dynamic approach: tracking individuals over time

1) Duration and recurrence

Unemployment duration and recurrence indicators are complementary and should always be presented together, as far as possible.

• **Unemployment**

Unemployment duration is the length of time already spent in unemployment at a given date by persons still unemployed. This notion is distinct from that of unemployment spell, which is measured when the unemployment period is over, i.e., at the date of exit from unemployment. The Group recommends two types of indicators on unemployment duration: mean duration and unemployment rate by selected duration (ratio of number of persons unemployed for a given duration to total active population). The source is naturally the Labor-Force Survey. For the moment, the distribution of the number of unemployed persons by duration is published annually in the "INSEE Résultats – données détaillées" ["detailed data"] series.

It should be recalled that mean duration, like the distribution of unemployment by duration, moves in a paradoxical manner: when the economy improves, the short-duration unemployed—who are usually more attached to the labor market—find work again more easily, leading to a rise in unemployment duration. Despite its shortcomings, this indicator seems essential. The publication will need to spell out its limitations. By contrast, the unemployment rate by duration does not exhibit this drawback: short-duration unemployment decreases while long-duration unemployment remains the same.

The Group recommends tracking durations exceeding 3, 4 or 6 months, a duration exceeding one year, and a duration exceeding two years. The short-duration unemployment rate may be viewed as a frictional-unemployment rate. These indicators could enable economic policy-makers to set an ambitious target. The U.S. uses a 15-week duration. These data could be broken down by sex and age. An annual frequency may suffice.

As noted earlier, recurrent unemployment describes the status of persons who were initially unemployed, then moved to a different status (typically, after finding a job), and have become unemployed again. The recurrent unemployed display fairly short unemployment durations, which is largely misleading. For this reason, the analysis of recurrent unemployment complements that of unemployment duration. Like the long-term unemployed, the recurrent unemployed find it harder to return to the workplace. At present, and despite a relative abundance of studies, no indicator is produced on the subject.

The Working Group considered which source to use. In theory, one could use the Labor-Force Survey as a pseudo-panel, i.e., track respondents over six quarterly questionnaires. The drawback of this approach is that it creates bias due to the increase in non-response over time, and also that the Survey tracks a panel of dwellings, not individuals. One could also use the Survey's retrospective questions: households surveyed for the time are asked to provide a retrospective one-year calendar of their activity and to describe their status a year earlier. This method offers the advantage of not being biased by non-response but has the drawback of relying on people's memory and switching to a concept of self-described unemployment. Moreover, the sample would be relatively small (first-time respondents account for 1/6th of the total sample). A second possible source is the French SRCV panel set up in 2004 as part of the EU Statistics on Income and Living Conditions (SILC) project. It could supply information for all panel individuals. The sample is small (9,000 respondent households) but is monitored over nine years. The unemployment concept used is self-described unemployment. The main limitations on the use of this panel are sample size, which makes detailed segmentation difficult, and late data availability (the data on year n , collected in March $n+1$, are released in March $n+3$).

After this review, the Working Group recognizes that it lacks the technical resources to settle the issue of choosing the right source and the specific indicator to be promoted. In any event, that is not the Group's role for subjects requiring further studies and in-depth expert appraisal of the data. Nevertheless, the Group recommends that the statistical system should construct an unemployment-recurrence indicator from the distribution of ILO unemployed (or the unemployed under a similar definition) at the Labor-Force Survey date by number of unemployment spells and combined duration of the spells over a given period (for example, two years). The Group is confident that statisticians will develop the most relevant indicator.

Proposal 20

Publish annual average unemployment duration and annual unemployment rates by unemployment duration (and not a breakdown of the number of unemployed by unemployment duration); conduct feasibility study on, and introduce, a recurrence indicator.

The table below summarizes the proposed arrangement:

Unemployment

Chosen variable	Source	Main disaggregation criteria	Geographic coverage	Frequency
Mean duration of unemployment	Labor-Force Survey	Total Sex, age	Metropolitan France In the longer run: all France	Annual
Unemployment rate - duration exceeding 4 ⁸⁷ months - exceeding 1 year - exceeding 2 years	Labor-Force Survey	Total Sex, age	Metropolitan France In the longer run: all France	Annual
Breakdown of unemployed by number of unemployment spells and combined length of spells, in past two years		Total Sex, age	Metropolitan France In the longer run: all France	Annual

Note: new features are in boldface

⁸⁷ The four-month limit should be examined. The Group considered a three-month limit and a six-month limit. Four months is the U.S. criterion.

- ANPE registration

The Group recommends the use of ANPE's historical database on job-seekers (Fichier Historique Statistique: FHS) to produce an estimate of the mean duration of ANPE registration as well as a distribution by duration. This indicator naturally has the disadvantage of rising when economic conditions improve. Moreover, the procedures for managing job-seekers and rolls can impact the indicator (typically, an acceleration in job-seekers' exits from the rolls "resets the counters to zero"). The duration indicator would be calculated from the total of present job-seeker categories 1, 2, 3, 6, 7, and 8, for which the Group recommends that more information should be provided, with a breakdown by sex and age.

These indicators should provide fuller knowledge of persons tracked and supported by ANPE and of changes in characteristics. As the population does not consist solely of unemployed persons (some work, others are economically inactive), the duration indicator recommended above cannot replace an unemployment-duration indicator.

The Working Group also discussed whether or not to continue preparing an indicator of length of presence on ANPE rolls. At present, such an indicator is published in the DARES-ANPE bulletin *Premières Informations*. It shows the length of registration, regardless of category, for persons leaving the rolls at a given date who were classified in category 1 or 6 just before their departure.⁸⁸ Some Working Group members argue that this information is liable to create confusion: the indicator is determined from flows of leavers, not from the stock of persons still registered—a distinction that is not clear for non-specialists. Other members, instead, believe that the information is valuable, although they entirely agree on the essential need to spell out exactly what the statistics describe, in particular as regards duration of registration. In conclusion, the Group recommends that the figure provided should consist of the length of registration for persons classified in categories 1, 2, 3, 6, 7, or 8 at exit time.

The Group also recommends the construction of an indicator for recurrence on job-seeker rolls. This would serve the same purpose as the duration indicators, i.e., to obtain fuller information on ANPE-supported persons. The data source to be used is ANPE's historical database on job-seekers (FHS). In this field as well, studies and an expert examination of the available data are still needed to define the most relevant indicator. Tests presented by DARES and ANPE have shown that the distribution of job-seekers registered at ANPE at a given date by combined length of presence in the past two years could prove valuable. Here again, the Working Group is confident that statisticians will produce the most relevant indicator.

An annual frequency would suffice for all the indicators described.

Proposal 21

Produce an annual statistic for the average length of ANPE registration of individuals in categories 1, 2, 3, 6, 7, and 8 and the breakdown by length of registration; supply average length of ANPE registration at the time of exit from Agency rolls.

Introduce a recurrence indicator to track persons who re-register at ANPE.

⁸⁸ Despite its title, "length of registration for category-1 leavers."

The table below summarizes the proposed arrangement:

ANPE registration

Chosen variable	Source	Main disaggregation criteria	Geographic coverage	Frequency
Mean duration of presence on ANPE rolls of job-seekers at month-end in categories 1,2,3,6,7,8	FHS	Total Sex, age	Metropolitan France	Annual
Mean length of presence on ANPE rolls of job-seekers at month-end in categories 1,2,3,6,7,8 at time of exit from rolls	FHS	Total Sex, age	Metropolitan France	Annual
Distribution of job-seekers by duration of presence on ANPE rolls for categories 1,2,3,6,7,8	FHS	Total Sex, age	Metropolitan France	Annual
Distribution of categories 1,2,3,6,7,8 by length of presence in past two years	FHS	Total Sex, age	Metropolitan France	Annual

Note: new features are in boldface

2) Employment entry and exit flows

Flows of hirings and exits from firms are currently measured by the monthly DMMO-EMMO system,⁸⁹ which consists of employers' declarations of labor flows (covering local units with 50+ employees) plus quarterly labor-flow surveys (covering local units with 1-49 employees, since 2007). DARES merges the two sources quarterly. During a given period, a person may be registered several times, for (s)he may have been hired by a local unit and may have left it several times. This situation increases the weight of very-short-term contracts in the statistics. The data cover market sectors except for temp agencies. However, the firms surveyed indicate the number of temporary workers hired through agencies. The Working Group proposes the use of four indicators for entry and exit flows:

- rates of labor entry and exit flows plus the turnover rate (half-sum of entry and exit flows)
- rate of use of temporary workers
- shares of fixed-term and open-ended contracts in hirings
- exits from firms by reason (termination of fixed-term contract, resignation, separation for economic reasons and for personal reasons, end of trial period, retirement, early retirement, etc.).

We should note that contracts of less than a month's duration are not covered. The data are available quarterly, with a lag. An annual assessment is prepared as well. These data should be published more rapidly, about six months after the end of the quarter covered.

The Group recommends a joint examination by ACOSS and DARES of ACOSS data from the single forms filed by employers to report hirings to government agencies (Déclaration Unique d'Embauche: DUE). While these data are available sooner and cover all hirings, they concern hiring intentions, not actual hirings. It would therefore be important to estimate the conversion rate.

The Group also recommends a similar expert examination of DADS forms, although publication times are and will remain relatively long—some 15 months after the end of the year covered.

Proposal 22

Shorten publication times for DMMOs-EMMOs; continue expert analysis of the contributions and limitations of the various sources on hirings by type of contract and employment exits by cause (DADs, DUEs, DMMO-EMMOs).

⁸⁹ The DMMOs forms are processed by INSEE and DARES; the EMMO survey is conducted by DARES.

The table below summarizes the proposed arrangement (already achieved):

Employment entry and exit flows

Chosen variable	Source	Sector(s) covered	Main disaggregation criteria	Geographic coverage	Frequency
Entry rate, exit rate, turnover rate	DMMO-EMMO	Competitive sectors	Total Activity sectors	Metropolitan France	Quarterly and annual assessment
Rate of use of temporary workers	DMMO-EMMO	Competitive sectors	Total Activity sectors	Metropolitan France	Quarterly and annual assessment
Hirings on fixed-term and open-ended contracts	DMMO-EMMO	Competitive sectors	Total Activity sectors	Metropolitan France	Quarterly and annual assessment
Exits from firms, by cause	DMMO-EMMO	Competitive sectors	Total Activity sectors	Metropolitan France	Quarterly and annual assessment

3) ANPE entry and exit flows

ANPE currently publishes monthly entry and exit flows for job-seekers in categories 1 and 6,⁹⁰ using its “Labor-Market Statistics” (STMT) data. The causes specified are of an administrative nature, i.e., those used in managing job-seekers. The Group recommends the publication of these data for categories 1, 2, 3, 6, 7, and 8 combined, i.e., for all job-seekers required to engage in active job search. We suggest this combination (1) because it is the one for which we recommend that more information should be provided on the number of persons in the categories at a given date and (2) for greater clarity. As all ANPE entry and exit flows are registered in categories 1, 2 or 3 only, even for persons entering or leaving categories 6, 7, or 8, extending the count to all these job-seekers will end all ambiguity. Moreover, the change will allow the construction of an accounting equation between the variations in the number of job-seekers in categories 1, 2, 3, 6, 7, and 8 and the difference between entries into and exits from these categories—a procedure that the Working Group recommends. Our argument is that the procedure will identify the origin of fluctuations in the total number of registered job-seekers.

The Group recommends the publication of all administrative reasons for ANPE entries and exits, using seasonally adjusted (SA) and working-day adjusted (WDA) data. Having noted the substantial numerical weight of the “other reasons” category of ANPE entries (approximately 30%), the Group invites ANPE and DARES to conduct a survey (along the lines of the “Leavers” Survey) to determine those “other reasons.”⁹¹

We also propose a rewording of certain terms to make them understandable to the public: two examples are removal from the rolls (*radiations*) and failure to show up at control visits (*absences au contrôle*).⁹² These data are valuable because they allow the detection of certain exceptional events in job-seeker management and, in some cases, the quantification of their effects—for example, measuring the increase in administrative removals from the rolls. We should note that exit from ANPE rolls does not necessarily mean exit to employment.

To find out what happens to job-seekers leaving ANPE rolls and to determine the true reasons for departure, ANPE and DARES have been conducting a quarterly survey of leavers from ANPE rolls since 2001. The survey sample was substantially increased in 2007 and the methodology has been improved. The survey allows an estimation of ANPE exits for reasons including: return to employment, training, temporary halt to job-seeking, non-renewal of enrollment by accident or for specific reasons,

⁹⁰ Under the title “Category-1 entries and exits.”

⁹¹ ANPE and DARES are already working on this project.

⁹² Removal is an administrative sanction: job-seekers are struck from the rolls because they have failed to meet one or more of their legal or regulatory obligations, for example, active job search. Such persons face a waiting period before they are allowed to re-register at the ANPE rolls, and their benefits may be reduced or terminated. Failure to show up at a control visit does not entail a sanction. Job-seekers who have not shown up have not informed the ANPE of their status at month-end and are no longer on the Agency rolls. They can re-register immediately if they wish.

end of economic activity, and removal for administrative reasons. The survey is of great interest, notably because it enables statisticians to estimate ANPE exits to employment, something that standard ANPE statistics do not allow. The Group recommends regular quarterly publication of survey results by ANPE and DARES, which has not been done since the survey began. This should be supplemented by a more detailed annual assessment.

Proposal 23

Publish a full set of administrative causes for ANPE entries and exits, with working-day and seasonal adjustment for categories 1, 2, 3, 6, 7, and 8, and headings that are more clearly worded.

Publish the accounting equation linking entry and exit flows to changes in the number of job-seekers in categories 1, 2, 3, 6, 7, and 8.

Set up a quarterly survey to track reasons for entry into ANPE rolls—along the lines of the ANPE and DARES “Leavers” Survey.

The table below summarizes the proposed arrangement:

ANPE entry and exit flows

Chosen variable	Source	Main disaggregation criteria	Geographic coverage	Adjustment	Frequency
Entries of job-seekers at month-end in categories 1,2,3,6,7,8	Labor-Market Statistics (STMT)	Total Administrative reasons for entries	Metropolitan France	WDA-SA	Monthly
Exits from categories 1,2,3,6,7,8	STMT	Total Administrative reasons for exits	Metropolitan France	WDA-SA	Monthly
Accounting equation between changes in number of job-seekers and difference between entries and exits	STMT	Total categories 1,2,3,6,7,8	Metropolitan France	WDA-SA	Monthly
Actual reasons for ANPE entries	Entrants survey	Total categories 1,2,3,6,7,8	Metropolitan France	SA	Quarterly Annual assessment
Actual reasons for ANPE exits	Leavers survey	Total categories 1,2,3,6,7,8	Metropolitan France	SA	Quarterly Annual assessment

Note: new features are in boldface

4) Labor-market transitions

Beyond workplace entry and exit flows, it is important to track the history of individuals in the labor market from one period to another. The Group proposes an interval of one year for the study of changes in labor-market status. As the CNIS “Living Standards and Social Inequality” Report notes, “a short interval tends to underestimate employment instability but, by contrast, allows a better capture of the instability of seasonal jobs.” The Labor-Force Survey allows such an estimate based on statements by persons interviewed for the first time on their status one year earlier. These transitions could be assessed over the full year by combining the responses of the four samples of first-time respondents (4 x 1/6th of survey entrants). Other solutions are undoubtedly feasible as well. Here again, the Working Group is confident that statisticians will produce the most relevant indicator.

The Group proposes the publication of annual estimates of transitions between the following statuses in years $n-1$ and n : employed (with, if possible, a breakdown by broad category of work contract), unemployed, economically inactive. If our suggested solution is adopted, we should note that the year- n statuses will be consistent with ILO definitions but that year- $n-1$ statuses will rely on statements by survey respondents. The estimates will allow a determination of the probability of return to employment for the unemployed and the risk of job loss, with a breakdown by type of work contract. A breakdown by sex and age would be very desirable, to document the diversity of individual labor-

market statuses.⁹³ Some Working Group members believe that the information thus provided would be difficult to read (six matrixes would be produced); others argue that it is important to supply the information because of the social demand concerning the specific status of men and women, as well as of seniors and young people.

Proposal 24

Compile tables showing transitions from status in year n to status in year $n+1$; statuses to include employment (with breakdown by broad type of contract, if possible), unemployment, and inactivity, with breakdown by sex and age.

The table below summarizes the proposed arrangement:

Labor-market transitions

Chosen variable	Source	Main disaggregation criteria	Geographic coverage	Frequency
Transitions from year $n-1$ to year n between following statuses: employed (by type of work contract), unemployed, and economically inactive	Labor-Force Survey	Total Sex age	Metropolitan France In the longer run: all France	Annual

Note: new features are in boldface

5) Labor-market trajectories

Annual intervals do not suffice to evaluate certain difficult labor-market statuses, for several reasons. First, young people can take several years to complete their school-to-work transition. Second, "chaotic" career paths are now common. Third, at the end of a working career, after leaving employment, a person may now find it hard to return to the workplace: this often results in several years of inactivity before retirement.

The Working Group would like statisticians to study individual paths in the labor market. CEREQ's Cohort Surveys (Enquêtes Génération) are an example here but they concern only young people's entry into the workplace after their initial education. The sample is tracked over several years. Several researchers have explored the subject, but it has never been covered by periodic indicators. The Group suggests that studies should be carried out on labor-market paths, leading to the definition of trajectories, which should then be quantified at regular intervals.

For the time being, it is hard to be more specific about the proposal. The studies might focus on a given date, the past four or five years, or more; or on individual paths at special moments in people's careers:

- young school-leavers or graduates (as in the CEREQ surveys)
- people midway in their working careers, for example at age 40
- people at the end of their working careers, for example at age 60.

The second solution, if feasible, seems preferable, because it summarizes more information. For persons aged 40 and 60, the aim would be to establish a typology of 5- or 10-year paths.

The question of available sources is difficult. Naturally, the Labor-Force Survey is not suitable. The SRCV panel (French version of "Statistics on Income and Living Conditions" [SILC]) might allow the development of the indicators. The sample comprises 9,000 respondent households. Selection began in 2004 and members will be tracked over nine years via a 1/9th rotating sample. In other words, by 2012, 1/9th of the sample will have been followed for nine years. Because of the topics addressed, the panel would be a very relevant information source for defining paths. The survey contains questions on employment, job search, education, health (chronic diseases), pay, and other income components.

⁹³ A matrix of this type, in somewhat reduced form, was presented by B. Belloc and C. Lagarenne in *Données sociales* (1996).

The sample may not be large enough to track sufficiently long paths. By construction, the sample size diminishes with the length of the path studied (1/9th for a nine-year path but 1/3rd for a three-year path).

One might also consider using the “Education and Occupational Skills” (Formation et Qualification Professionnelle: FQP) Survey. The questionnaire covers five themes including occupational mobility; the 2003 wave focused on individual trajectories via a retrospective questionnaire. The sample contains about 40,000 dwellings. In each dwelling, the questionnaire is administered to no more than two persons aged 18-65.

Another possible source is the FHS-DADS panel, designed by ANPE, INSEE, and DARES, which covers the six-year period 1999-2004. The source, however, was developed for experimental purposes and its future is uncertain for the moment. Studies are being planned and, if their findings turn out to be positive, the panel may become permanent.

The Working Group hopes that statisticians will complete these studies and possibly construct new sources for tracking labor-market paths. Once the typologies have been determined, these indicators would not necessarily be annual: CEREQ performs its Cohort Surveys every three years.

Proposal 25

Study individual paths in labor market to produce definitions of trajectories that would then be quantified on a regular basis.

The table below summarizes the proposed arrangement:

Labor-market trajectories

Chosen variable	Source	Main disaggregation criteria	Geographic coverage	Frequency
Typology of paths at key moments in working careers: - young people - intermediate age group - seniors	Cohort Survey ? ?	Total Sex	Metropolitan France	Every three years
Or alternatively: Typology of path at date T in recent years (to be determined)	?	Total Sex, age	Metropolitan France	Every three years

Note: new features are in boldface

c) How should one track instability, insecurity, precarious employment, and unsatisfactory employment?

The Working Group tried to clarify these notions in Part III and proposes a number of indicators, which we have classified into two categories in Part IV, according to whether they call for a static approach or a dynamic approach. We believe it is useful to link the notions of instability, insecurity, precarious employment, and unsatisfactory employment to the main indicators that can measure them. Naturally, each data user is free to emphasize a particular indicator or group of indicators in the discussion.

• Employment instability

“Employment instability” characterizes the instability of the employee’s relationship with his/her employer. It can be measured by employment entry and exit flows. The indicators are derived from the DMMO-EMMO system (“Employment entry and exit flows” table). They are published quarterly and annually.

- Employment insecurity

“Employment insecurity” describes two situations: the risk of losing one’s job and the difficulty for the unemployed or economically inactive in finding another job. The data for tracking employment insecurity are those that concern labor-market transitions, based on the Labor-Force Survey (“Labor-market transitions” table). They are published annually.

- Precarious employment

The Working Group believes that labor-market paths or trajectories are the indicators of choice for addressing precarious employment (“Labor-market trajectories” table). At present, however, such tools are available only for tracking young people and are, in any event, complex to produce.

Without waiting for the implementation of a full system for monitoring trajectories, the Group suggests that analysts should use the following indicators to measure precarious employment (“Employment characteristics,” “Employment entry and exit flows,” “Employed persons wanting to change jobs,” and “Labor-market transitions” tables):

- employment by type of work contract, subject to the standard caveats
- employment entry and exit flows by type of work contract, also subject to the standard caveats (available quarterly)
- number of employed persons who want to change jobs, by type of contract (available annually)
- year-to-year transitions, by type of work contract (available annually).

- Unsatisfactory employment

The number of employed persons who want to change jobs, classified by reason for wanting to change, is an indicator of unsatisfactory employment (“Employed persons wanting to change jobs” table) (available annually).

The table below summarizes this classification:

Theme	Chosen variable	Source	Coverage	Frequency
Employment instability	Entry flows, exit flows, turnover rate	DMMO-EMMO	Total competitive sectors Metropolitan France	Quarterly and annual assessment
	Rate of use of temporary workers	DMMO-EMMO	Total competitive sectors Metropolitan France	Quarterly and annual assessment
	Hirings on fixed-term and open-ended contracts	DMMO-EMMO	Total competitive sectors Metropolitan France	Quarterly and annual assessment
	Exits from firms, by cause	DMMO-EMMO	Total competitive sectors Metropolitan France	Quarterly and annual assessment
Employment insecurity	Transitions from year $n-1$ to year n between following statuses: employed, unemployed, and economically inactive	Labor-Force Survey	Total Metropolitan France In the longer run: all France	Annual
Precarious employment	Typology of paths at key moments in working careers: - young people - intermediate age group - seniors	 Cohort Survey ? ?	Total Metropolitan France In the longer run: all France	Every three years
	Distribution of employment by type of work contract	Labor-Force Survey	Total Metropolitan France In the longer run: all France	Annual
	Hirings on fixed-term and open-ended contracts	DMMO-EMMO	Total competitive sectors Metropolitan France	Quarterly and annual assessment
	Exits from firms, by cause	DMMO-EMMO	Total competitive sectors Metropolitan France	Quarterly and annual assessment
	Number of employed persons wanting to change jobs, by type of work contract	Labor-Force Survey	Total Metropolitan France In the longer run: all France	Annual
	Transitions from year $n-1$ to year n between following statuses: employed (by type of work contract), unemployed, and economically inactive	Labor-Force Survey	Total Metropolitan France In the longer run: all France	Annual
Unsatisfactory employment	Number of employed persons wanting to change jobs, by reason for wanting the change	Labor-Force Survey	Total Metropolitan France In the longer run: all France	Annual

Note: new features are in boldface

V - Communication on these complex subjects should be better regulated

The Working Group's remit states that the Group "shall also make proposals on the best way to make these indicators available and facilitate their comprehension, so as to contribute to the quality of public debate." Indeed, it is not enough to design good indicators that are clear and well-presented. They also need to be published in such a way as to make sure they are well understood and properly used. How can we reconcile the necessary richness of the information and a no less necessary selectivity to enable public opinion to grasp the information? How can we reconcile what has become a nearly continuous information flow with periodic, scheduled release dates that are useful as markers for the debate? This question is particularly relevant in areas as sensitive and controversial as unemployment, precariousness, and employment. It is in the nature of things that a government will highlight the apparently good news and downplay the bad, and that the current political opposition will take the opposite attitude. This does not make discussion easy, and does not channel it spontaneously toward the most important aspects: the analysis of causes and the efficiency of remedies. True, communication issues were on the borderline of our remit, and the Group was not formed for the purpose. Yet we decided that the topic was sufficiently important to warrant the audition, as users, of officials from two associations of journalists concerned—the Association of Social-Information Journalists (AJIS) and the Association of Economic and Financial Journalists (AJEF)—and to devote a separate section of our Report to the topic.

a) Clearly explained publications complying with an announced schedule

The various publications should conform to the following principles:

- Their titles should describe their content as closely as possible and not be too general. The front page, for the general public, should give the main results in table or chart form, along with a brief factual commentary. If need be, a front-page note should draw attention to distinctive features of the period covered, such as factors influencing the series, adjustments, and methodological changes. If the data are revised, the publications should describe the reasons for the revisions from the previous publication.
- They should include a highly visible methodological section spelling out what the indicators cover, what they do not cover, and the factors that may influence them, as discussed in Part II. We also recommend that, for each statistical series, a full documentation in structured form (i.e., allowing users to examine it in greater or lesser depth depending on their needs) should be made available online to all and that, whenever a specific methodological element plays an important role in an indicator's value and significance, the fact should be noted.
- Lastly, users, the public, and the media should receive the indicators at regular dates notified sufficiently in advance.

Proposal 26

Identify publications clearly.

If the system were to produce all the indicators recommended by the Group plus the existing indicators endorsed by the Group, the result would be one monthly publication, five (eventually six) quarterly publications, five annual publications and one or more three-year publications. Their descriptions follow.

1) Monthly publication

The Group extensively discussed the arguments for and against the monthly publication of statistics on ANPE-registered job-seekers. The Group agreed unanimously that these data encompass trends in several areas: the labor market, of course, but also job-seekers' registration behavior as well as changes in procedures for tracking and managing job-seekers. These diverse factors are impossible to segregate in real time. There is a high risk that the publication's monthly frequency will focus the debate on indicators that do not measure unemployment in the strict sense, whereas the public tends to think that they do. However, the Group believes it is impossible to recommend a lesser frequency for data on which French public debate has focused for so long. Besides, such a recommendation

would probably not be implemented. On the other hand, the Group believes that, for the sake of clear, equanimous discussion, the data can and must be put into perspective so that all players in the communication sphere—politicians, media, and citizens—will see them exactly for what they are. The figures represent persons registered at month-end at ANPE who are seeking work, regardless of whether or not they are receiving unemployment benefits. They may be unemployed persons but also employed persons or economically inactive persons under internationally accepted definitions. In addition, some unemployed are not ANPE-registered and are seeking work on their own. These clarifications should be prominently displayed in the publication. The Group recommends that DARES and ANPE remain the authors of the monthly publication.

The publication should change its title to reflect its exact content. We would suggest “ANPE-registered job-seekers at the end of [name of month]...”

The front page, for the general public, would feature (1) the series for ANPE-registered job-seekers engaged in active job search (categories 1, 2, 3, 6, 7, 8), with a disaggregation into three categories (not engaged in reduced activity, engaged in “moderately” reduced activity, engaged in “heavily” reduced activity) and (2) the proportion of persons receiving benefits out of total registered job-seekers engaged in active job search.

The other pages would carry the data described in the tables of Part IV above, giving absolute levels and flows for job-seekers.

2) Quarterly publications

- Change in paid employment

The current DARES publication entitled *Activité et conditions d'emploi de la main d'œuvre au ... trimestre ... Résultats Provisoires* supplies the first results of the ACEMO Survey on changes in paid employment in principally market sectors, about 45 days after the end of the quarter covered. The publication also supplies data on the basic hourly wage for manual workers and the monthly basic salary for total paid employees. The title complies with Working Group recommendations. The front page contains the aggregate employment figures and a note indicating what the data covers. We would recommend the addition of a note stating any revisions from the previous publication. This estimate is replaced 25 days later by the estimate contained in the following publication.

INSEE's current publication on employment in the competitive sector, *Créations d'emplois salariés dans le secteur concurrentiel à la fin du ... trimestre ...*, complies with our broad recommendations: its title accurately describes the content; the front page gives the main aggregate results and methodological indications; another page mentions revisions from the previous publication and their reasons; the publication concludes with a methodological note. We therefore have no recommendations to make about this document.

- Quarterly Labor-Force Survey

INSEE's current publication entitled *Chômage au sens du BIT et indicateurs sur le marché du travail: résultats de l'enquête Emploi au ... trimestre* should contain additional material, but its front page complies with our broad recommendations as to the title, main results, commentaries, and methodological indications. The main results supplied are:

- ILO unemployment in numbers and rates; rates are given for all of France and metropolitan France
- persons not in employment but who are willing to work, whether or not they are available within two weeks, and (for metropolitan France) whether or not they are seeking work (numbers)
- underemployment (numbers and share of total employment) for metropolitan France
- employment rate and activity rate of persons aged 15-64, for metropolitan France.

The designation of the second total could be shortened: the Working Group referred to it as the “unemployment halo.”

The publication includes a methodological note and a note on series revision.

The Group recommends expanding the publication to include data on:

- enlarged unemployment rate in full-time-equivalent terms
- underemployment, with breakdown by sex and age
- employment rate: full-time/part-time, in full-time-equivalent terms, with breakdown by sex and age
- number of employed persons wanting to change jobs.

If a paper edition giving all the breakdowns of these indicators is judged to be too bulky, one could envisage a dual edition. The paper edition would contain all the indicators selected here with some disaggregations; the other, disaggregated data would be posted simultaneously on the INSEE website.

- Labor flows

In its *Premières Informations* bulletin, DARES currently publishes quarterly results on labor flows in local units with 10+ employees (in 2007: in local units with one or more employees). The figures are obtained by consolidating EMMO survey results and DMMO declarations. The publication title, *Les mouvements de main d'œuvre au ... trimestre ...*, accurately reflects its content. The main results are supplied in a "header." There is a methodological note. The Group recommends a slight change in the publication: the front page should display, in table or chart form, the four indicators recommended by the Group and a note describing any special features of the period covered. Revisions to the series and their reasons should be noted more visibly and the publication times should be shortened.

Survey on ANPE leavers

The Group recommends that ANPE and DARES should launch this quarterly publication as soon as possible. It could be entitled "Leavers from ANPE rolls in the ... quarter ..." The front page would provide a table of the actual reasons for exit from ANPE rolls, with a factual commentary and a note describing any special features of the period covered. The detailed survey results would then be supplied with a methodological note and a note on revisions.

- Survey on ANPE entrants

The Group recommends that, when the survey is launched, a quarterly publication should be established along the lines of the publication on the survey of ANPE leavers.

3) Annual publications

Annual publications would be useful to present figures for annual indicators recommended by the Group, and to supply annual averages for indicators compiled at sub-annual intervals. Presentation guidelines would be identical to those of the sub-annual publications.

- Change in total employment

Currently, data on total employment (France, payroll workers and non-payroll workers) are published in an issue of "INSEE Résultats." They are also appended to the March and September issues of *Informations Rapides* on quarterly employment (for metropolitan France) and released in table form in the "France in facts and figures" section of the www.insee.fr website. To give total-employment estimates greater visibility, the Group recommends that INSEE should now publish them in a separate *Informations Rapides* issue from the one on quarterly employment.

- Labor-Force Survey

The results provided on an annual basis only would be:

- mean duration of unemployment and unemployment rate by duration
- unemployment-recurrence indicator when ready
- unemployment among the disabled
- unemployment by skill level
- underemployment by skill level

- unemployment halo, by sex and age; number of discouraged workers, prevented workers, and workers currently not seeking work
- employment by type of contract (with a breakdown into full-time and part-time), by skill level, by length of employment in firm, and by working conditions—cross-tabulated, if possible, against sex and age
- mean length of employment in firm
- number of employed persons wanting to change jobs: by type of work contract; by reasons for wanting to change
- transitions between labor-market statuses.

The Working Group would view such a publication as the reference document for the labor market, since it would address the continuum of statuses that people may experience at a given moment as well as their mobility during a one-year period.

- Labor flows

DARES publishes an annual assessment of labor flows, which offers an opportunity to view changes in perspective and supply annual turnover rates. By definition, these are four times greater than average quarterly rates. This publication should undergo the same adjustments recommended for the quarterly publication.

- Summary assessment of labor-market trends

The Group recommends that INSEE and DARES should develop an annual publication offering a summary assessment of the past year's labor-market trends, in perspective. The document would include changes in employment, unemployment, and the active population during the year, with their main features. Underemployment and the unemployment halo would be analyzed as well.

- Assessment of changes in number of ANPE-registered job-seekers

The Group recommends that ANPE and DARES should develop an annual publication on job-seekers. It would include annual changes in the number of (1) registered job-seekers who are required to engage in active job search, and (2) ANPE entries and exits. Context would be provided for the annual results of the "Leavers" Survey and for those of the "Entrants" survey when it becomes available. The document would also provide the annual results on duration and recurrence of ANPE registration. Any effects of ANPE job-seeker management and support procedures would be noted.

4) Three-year publication

One or more publications would concern individual labor-market paths. The CEREQ Cohort Survey would be a component in the system.

5) The Working Group proposes that the various websites concerned should refer to the same list of publications to help clarify the debate on the labor market. This measure would highlight the key indicators, as the Group sees them, while helping the public to consolidate them. The Group hopes that a consensus would develop as a result, not on the analysis of labor-market conditions, but at least on the tools for the analysis.

Proposal 27

Release a publication schedule.

b) Communication with a clearer ranking of priorities, based on rigorous methods

The Working Group's auditions and discussions have underscored the value of spelling out rules and methods that would promote the most objective communication possible.

The Group makes three recommendations about message content:

- There should be a clear distinction between ILO unemployment and ANPE-registered job-seekers, as the two statistics serve different purposes.
- It is important to track intermediate statuses between unemployment and employment, i.e., underemployment, as well as between unemployment and inactivity, i.e., the “halo.” These indicators already exist, and can be supplemented to deepen the analysis.
- In the longer run, it would be useful to pay closer attention to labor-market dynamics in order to get a better sense of difficult statuses: instability, insecurity, precarious employment, and unemployment duration and recurrence, using the indicators that we recommend—which largely remain to be developed.

The Group believes that it would be desirable, for the quality of public debate, to reverse the ranking of current preferences. These focus on monthly results (which have little significance) to the detriment of structural or trend analyses (which are richer and more interesting). In our view, the most substantial commentaries should address, once a year, the annual publication of employment and unemployment statistics, whose release date should be announced sufficiently in advance. Next in importance would be the analysis of quarterly results, which, examined alongside the annual figures, constitute a fairly reliable trend indicator. Information on monthly figures would rank only in third place.

Proposal 28

Develop a better ranking of communication priorities, giving precedence to structural trends and downplaying monthly administrative data.

The Group makes five proposals to put these suggestions into practice:

1. To ensure the proper use of the various concepts, on a common basis, the CNIS Task Force on Employment and Income could invite the statistical system to prepare an easily accessible glossary showing the links between different categories and their respective significance. It would be useful to supplement the glossary with a dictionary of the main indicators.
2. To improve the intermediation function between data producers and the media that use the data, information or training sessions could be held at regular intervals with specialized journalists. The sessions would help them to sort, rank, and assess the information supplied to them, and help newcomers to find their bearings in a complex field. It would be useful to recall that the indicators should be interpreted primarily in trend terms; month-to-month changes, and even quarter-to-quarter changes, have little significance, since the variations commented upon are often smaller than the margin of uncertainty, as the AJIS President noted. The Group believes that the monthly figures should be downplayed somewhat, and commentators should exercise restraint—as is the case, for example, in the analysis and assessment of current economic conditions.
3. To allow media professionals to carry out their mission effectively, two requirements are essential. First, the embargo rules, particularly those set by international institutions, should be scrupulously complied with by all. Second, journalists should have the time and peace of mind needed to prepare their commentaries in the best possible conditions. For this, the statistical system must give them the information sufficiently ahead of the embargo date and hour.
4. To strengthen the statistical system’s credibility in public opinion, attention should be paid to the various proposals designed to put statisticians’ independence on a firmer legal footing.
5. In the same spirit, plans should be developed for dealing with crises, for example if an expected statistic cannot be produced, proves questionable, or falls victim to fortuitous circumstances.

Proposal 29

Prepare a glossary of the different categories used and a dictionary of the main indicators.

Proposal 30

Hold information meetings for journalists; enforce strict compliance with embargo rules; give journalists enough time to prepare their commentaries in the best possible conditions.

Conclusion

At the end of this collective examination, we can draw several conclusions:

The manner in which the indicators are communicated and the procedures for informing the various categories of the public and of users are as important as the indicators themselves. These should be put into context and compared with one another.

Substantial progress is possible in order to improve our perception of the reality of the labor market, employment, unemployment, inactivity, and intermediate statuses. The first solution is to make better use of information already available in the Labor-Force Survey. This was recently done for underemployment and the unemployment halo, and could be done, for example, to achieve closer tracking of employed persons who want to change jobs. The second solution is to offer a clearer picture, using different sources, of individuals' paths and labor-market transitions, as well as of data on unemployment duration and recurrence. Indeed, it is from this specific angle that the Group addressed the "catch-all" notion of precarious employment.

Specific additional work will be needed to better analyze employers' labor requirements, most notably the vacancies that are hard to fill, and the reasons for this. Further work is also necessary on regional and local indicators. The issue currently designated by the phrase "quality of employment" deserves further investigation.

In today's fast-changing economic and social environment, it will, no doubt, be necessary to repeat this review exercise in the not too distant future.

Lastly, these proposals should be examined at EU level, should be discussed with France's partners, and should contribute to a better governance of our socio-economic model.

List of abbreviations and acronyms

ACDC: Autres Chiffres Du Chômage – [“Alternative Employment Figures” \(group\)](#)
 ACEDO: Activité et Conditions d’Emploi de la Main-d’Œuvre – [Labor Activity and Working Conditions \(survey\)](#)
 ACOSS: Agence Centrale des Organismes de Sécurité Sociale – [Central Agency of Social-Security Organizations](#)
 AJIS: Association des Journalistes de l’Information Sociale – [Association of Social-Information Journalists](#)
 AJEF: Association des Journalistes Économiques et Financiers – [Association of Economic and Financial Journalists](#)
 ANPE: Agence Nationale pour l’Emploi – [National Employment Agency](#)
 ARE: Allocation de Retour à l’Emploi – [“Return to Employment” Allowance](#)
 AREF: Allocation d’Aide au Retour à l’Emploi en Formation – [Subsidy for Return to Employment through Training](#)
 ASS: Allocation de Solidarité Spécifique – [Specific Solidarity Allowance](#)
 ASSEDIC: Associations pour l’Emploi dans l’Industrie et le Commerce – [Societies for Employment in Industry and Commerce \(unemployment-insurance institutions\)](#)
 BLS: Bureau of Labor Statistics (U.S.)
 BMO: Besoins en Main-d’Œuvre – [Labor Requirements Survey \(UNEDIC\)](#)
 CDD: Contrat à Durée Déterminée – [Fixed-term employment contract](#)
 CDI: Contrat à Durée Indéterminée – [Open-ended employment contract](#)
 CEE: Centre d’Études de l’Emploi – [Center for Employment Studies](#)
 CERC: Conseil de l’Emploi, des Revenus et de la Cohésion Sociale – [Council on Employment, Income, and Social Cohesion](#)
 CEREC: Centre d’Études et de Recherches sur les Qualifications – [Center for Studies and Research on Skills](#)
 CNIS: Conseil National de l’Information Statistique – [National Council for Statistical Information](#)
 COLTER: [survey on local-government bodies](#) (**Collectivités Territoriales**)
 CREDOC: Centre de Recherche pour l’Étude et l’Observation des Conditions de Vie – [Research Center for the Study and Observation of Living Conditions](#)
 DADS: Déclaration Annuelle de Données Sociales – [Employer’s annual declaration of payroll data](#)
 DARES: Direction de l’Animation de la Recherche, des Études et des Statistiques – [Directorate for Research, Studies, and Statistics \(ministerial statistical office in the field of social affairs and employment\)](#)
 DEFEM: Demandes d’Emploi en Fin de Mois – [Month-end number of job-seekers](#)
 DMMO: Déclarations des Mouvements de Main-d’Œuvre – [Employers’ declarations of labor flows](#)
 DOM: Départements d’Outre-Mer – [French overseas départements](#)
 DREES: Direction de la Recherche, des Études, de l’Évaluation et des Statistiques – [Directorate for Research, Studies, Assessment, and Statistics \(ministerial statistical office in the field of health and social protection\)](#)
 DUE: Déclaration Unique d’Embauche - [Single forms filed by employers to report hirings to government agencies](#)
 EEC: Enquête Emploi en Continu – [Continuous Labor-Force Survey](#)
 EMMO: Mouvements de Main-d’Œuvre – [Labor-Flow Survey](#)
 EPCV: Enquête Permanente sur les Conditions de Vie – [Permanent Survey on Living Conditions](#)
 ESTEL: Estimations d’Emploi Localisées – [Local Employment Estimates](#)
 ETUC: European Trade Union Confederation
 EU: European Union
 Eurostat: European Statistical Office
 FHS: Fichier Historique Statistique – [ANPE historical database on job-seekers](#)
 FQP: Formation et Qualification Professionnelle – [Education and Occupational Skills Survey](#)
 FTE: Full-Time Equivalent
 IGAS: Inspection Générale des Affaires Sociales – [Inspectorate-General for Social Affairs](#)
 IGF: Inspection Générale des Finances – [Inspectorate-General for Finance](#)
 ILO: International Labor Office / International Labor Organization

INSEE: Institut National de la Statistique et des Études Économiques – [National Institute of Statistics and Economic Studies](#)

IRES: Institut de Recherches Économiques et Sociales – [Economic and Social Research Institute](#)

LOLF: Loi Organique relative aux Lois de Finances – [French Constitutional Bylaw on Budget Acts](#)

MNCP: Mouvement National des Chômeurs et des Précaires – [National Movement of the Unemployed and Precariously Employed](#)

MSA: Mutualité Sociale Agricole – [Agricultural Mutual Insurance Fund](#)

OECD: Organisation for Economic Co-operation and Development

PCS: Professions et Catégories Socioprofessionnelles – [Occupations and Socio-Occupational Categories](#)

PDRE: Population Disponible à la Recherche d'un Emploi - [Population Available Seeking Work](#)

PNAI: Plan National d'Action pour l'Inclusion Sociale – [National Action Plan for Social Inclusion](#)

PSERE: Population Sans Emploi à la Recherche d'un Emploi – [Unemployed Job-Seekers](#)

RAC: Régime d'Assurance Chômage – [Unemployment-Insurance System](#)

REPERE: Recrutement et Perspectives des Entreprises – [Business Hirings and Outlook \(ANPE survey\)](#)

RMI: Revenu Minimum d'Insertion – [Minimum Guaranteed Income \(welfare allowance\)](#)

RSA: Revenu de Solidarité Active – [Active Solidarity Income \(earned income supplement\)](#)

SA: seasonally adjusted

SFS: Société Française de Statistique – [French Statistical Society](#)

SILC: Statistics on Income and Living Conditions (EU)

SRCV: Statistiques sur les Revenus et les Conditions de Vie – [French version of SILC](#)

STMT: Statistique du Marché du Travail – [Labor-Market Statistics \(ANPE\)](#)

SUMER: Surveillance Médicale des Risques – [Medical Risk Watch \(survey\)](#)

UNECE: United Nations Economic Commission for Europe

UNEDIC: Union Nationale Interprofessionnelle pour l'Emploi dans l'Industrie et le Commerce - [National Inter-Occupational Union for Employment in Industry and Commerce \(federation of unemployment-insurance funds\)](#)

URSSAF: Union de Recouvrement des Cotisations de Sécurité Sociale et d'Allocations Familiales – [Agency in charge of collecting social-insurance contributions](#)

WDA: working-day adjusted