**Use of short-time working during the Covid-19 crisis: an empirical analysis of the period March - May 2020**

Oana Calavrezo

ocalavrezo@unédic.fr

Unédic and University of Orléans, CNRS, LEO (Orléans Economics Lab), FRE 2014

Lewis Hounkpevi

lhounkpevi@unédic.fr

Unédic

Florence Journeau

fjourneau@unedic.fr

Unédic

Marie-Hélène Nguyen

mnguyen@unedic.fr

Unédic

**Summary**

Short-time working has been one of the main job protection measures implemented in France in response to the Covid-19 crisis, making the country one of the most ardent users of the scheme in Europe. Short-time working is a stopgap arrangement that operates overall in a counter-cyclical manner, enabling companies to adjust their employees’ actual working hours in line with fluctuations in business levels and thus avoid having to make redundancies on economic grounds.

In this paper we analyse the use of this arrangement by employers during lockdown, using comprehensive government data as at 22 June 2020. One of the central planks of our study is a comparison of current use of short-time working with its use before the health crisis, and in particular its use during the 2008-2009 financial crisis.

To implement short-time working, employers are required to submit a prior authorisation request to the authorities. This step is an indication of the employer’s projected requirement for short-time working, as companies tend to apply in advance for a volume of short-time hours that is considerably higher than what they subsequently use. We describe the manner in which employers apply for prior authorisation in terms of hours requested and staff numbers concerned in relation to the characteristics of the firms involved and the nature of their requests; we also analyse the factors that determine how likely they are to have submitted a prior request.

Employers can then apply for monthly reimbursements of wages paid to employees on short-time working. This is also known as a grant application. We also describe the behaviour observed in the data in terms of grant applications, again in relation to the number of hours and employees involved and depending on the characteristics of the firms themselves, and the month-by-month conversion of prior authorisation requests into grant applications between March and May, measured in particular through short-time working application volumes and the extent of its subsequent use.

As employers have one year in which to submit their grant applications, in this paper we also combine information gleaned from the data with assumptions in order to estimate the likely final cost of the scheme and the number of staff effectively put on short-time working between March and May 2020.

**Key words:** short-time working, Covid-19