**The use of partial unemployment during the COVID-19 crisis: an empirical analysis between March and May 2020**

Oana Calavrezo

ocalavrezo@unédic.fr

Unédic (National Professional Union for Employment in Industry and Trade)

 and University of Orléans, CNRS (French National Center for Scientific Research), LEO (Orléans Economics Laboratory), FRE 2014

Lewis Hounkpevi

lhounkpevi@unédic.fr

Unédic (National Professional Union for Employment in Industry and Trade)

Florence Journeau

fjourneau@unedic.fr

Unédic (National Professional Union for Employment in Industry and Trade)

Marie-Hélène Nguyen

mnguyen@unedic.fr

Unédic (National Professional Union for Employment in Industry and Trade)

**Summary**

In France, partial unemployment is a primary response to the COVID-19 crisis in an effort to safeguard employment. This effort has situated the country amongst the top users of this measure in Europe. As a temporary, countercyclically-evolving scheme, partial unemployment allows companies to adjust their hours of work to changes in business activity, while avoiding redundancies on economic grounds.

In this study, we analyze employers’ use of this scheme during the lockdown period using comprehensive administrative data as of June 22, 2020. One of the main contributions from our study is the comparison between the current use of partial unemployment with use before the health crisis, and in particular, its use during the 2008- 2009 economic recession.

To make use of partial unemployment, the employer must request prior authorization from the appropriate authorities. This request demonstrates the employer’s anticipated need for partial unemployment, with institutions often proactively requesting far more hours of partial unemployment than they actually need. Employers' requests for prior authorization is understood in terms of hours requested and the number of employees concerned with respect to the institution’s characteristics and the nature of their requests. We also carry out an analysis on the likelihood of employers having filed for a prior request.

The employer can then make a request for monthly reimbursement of wages paid to employees affected by partial unemployment, which is also referred to as a compensation claim. Thus, using the data, we present observed behavior in terms of compensation claims and in relation to the number of hours and employees concerned. This is done in accordance with the institutions’ characteristics and the conversion of prior authorization requests into month-by-month compensation claims between March and May, with special emphasis on rates of deposit and partial unemployment use.

As employers have one year to file their claims, in this study we also consider what the scheme will ultimately cost as well as the number of employees who would effectively be partially unemployed from March to May 2020, based on assumptions and information observed in the data.

**Keyword**s: partial unemployment, COVID-19