**Use of French partial employment scheme during Covid-19 crisis: an empirical analysis for the period March through May 2020**

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**Summary**

In France, the partial employment scheme has been one of the principal responses to the Covid-19 crisis in order to safeguard jobs, making the country one of the most frequent users of this approach in Europe. As a temporary solution, which is generally countercyclical, partial employment enables businesses to adjust the number of hours worked to fit with fluctuating levels of activity, while seeking to avoid actual lay-offs.

In this paper, we analyze employers’ use of this solution during the period of lockdown, based on exhaustive administrative data up to June 22, 2020. One of the key aspects of our study is the comparison between current partial employment practices and those prevailing prior to the health crisis, including during the economic recession of 2008-2009.

To make use of partial employment, the employer must apply for prior permission from the authorities. Such an application reflects the employer’s expectation of using partial employment, with businesses often making advance applications for a number of working hours well in excess of what they will actually use. We describe the approach taken by employers to the prior application in terms of hours and headcount requested as a function of the characteristics of their business and the nature of their application, and we also analyze the determining factors underlying the probability of having made a prior application.

Employers may then request the monthly reimbursement of wages paid to employees on partial employment. This is also known as a claim for compensation. We thus present the behavior observed through the data in terms of claims for compensation, again as a function of the hours and headcount concerned and the characteristics of the businesses, and the monthly figures for the rate of transformation of applications into claims for compensation between March and May, from the perspective of the claims filed and actual consumption of partial employment hours.

As employers have a year to file their claims for compensation, we also estimate, based on the data and using assumptions, what the final cost of the scheme will be and the actual number of employees put on partial employment for the months of March through May 2020.

**Key words**: partial employment, Covid-19