**The use of short-time work during the Covid-19 crisis: an empirical analysis from March to May 2020**

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**Abstract**

In France, short-time work is one of the main responses to the Covid-19 crisis intended to preserve employment, establishing the country as one of the most enthusiastic users of the measure in Europe. A temporary measure that tends to be countercyclical, short-time work allows companies to adjust the number of hours worked according to variations in activity, while seeking to avoid economic layoffs.

In this study, we analyze employers’ use of this measure during the lockdown period, based on exhaustive administrative data from June 22, 2020. One of the main contributions of our study is the comparison of the current use of short-time work to its use before the public health crisis, particularly during the 2008-2009 economic recession.

In order to benefit from the short-time work measure, the employer must receive advance authorization from the administration. This step indicates the employer’s anticipated need for short-time work, with the place of business often anticipating and thus requesting far more hours of short-time work than they will actually use. We describe the behavior of employers in advance requests for authorization in terms of requested and effective hours for the employees concerned in relation to the characteristics of the place of business and the nature of their request, and we also conduct an analysis of the determinants of the probability of having made an advance request.

The employer can then initiate a monthly reimbursement request for salaries paid to employees subject to short-time work, also called a request for indemnification. We thus present the behavior observed in the data in terms of indemnification requests, again in relation to hours and to the employees concerned and as a function of the characteristics of the place of business, and in relation to the conversion of advance authorization requests into indemnification requests on a monthly basis from March to May, understood primarily through deposit and consumption rates for short-time work.

Since employers have a year to submit their indemnification requests, in this study we also consider the measure’s eventual aggregate cost, based on information observed in the data and on hypotheses, as well as the number of employees that were actually subject to short-time work from March to May 2020.

Keywords: short-time work, Covid-19