
***PART ONE:
GENERAL DESCRIPTION OF SURVEY***

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1.1. - Historical summary

INSEE conducted its first business survey in 1951⁴. It was modelled on the surveys performed in the United States at regular intervals since 1947 by the magazine *Fortune*. The INSEE survey covered 3,000 enterprises, mainly in manufacturing, but also in retailing, banking, insurance, and transport. The questionnaire comprised two parts: the first concerned the respondent's sentiment on the overall French economy; the second focused on the situation of the enterprise surveyed. Thanks to its initial success, the survey was repeated twice a year until 1957, then four times a year. However, in light of the results obtained, two changes were subsequently introduced:

- an increase in the number of questions on the enterprise and a reduction in the number of those on the overall economy, the results of the former having been found to be more reliable than those of the latter;
- the development of questionnaires tailored to specific industries.

At the same time as in France, but independently at the outset, business surveys were launched in Germany by IFO, the Munich-based Institute for Economic Research, and in Italy by the Rome-based ISAE (ex-ISCO). In 1952, the two organisations began an informal cooperation with INSEE in the field of business surveys, which was progressively extended to institutes in many other countries.

One of the milestones was the June 1962 launch by the European Communities Commission—on the strength of the French, German, and Italian experience—of the harmonised monthly survey of industrialists in the Community.

Also in 1962, at the initiative of the French Building Industry Federation (Fédération Nationale du Bâtiment: FNB), the first pilot business survey of the industry was conducted in cooperation with INSEE. The survey, also called “Building Industry Survey” (Enquête dans l’Industrie du Bâtiment), covered firms with more than ten employees. Four years later, in June 1966, came the first survey of the building crafts sector, i.e., of firms with fewer than eleven employees. It was conducted at a four-monthly pace, in February, June, and October. In October 1990, this survey was modified to achieve greater convergence with the Building Industry Survey. The questionnaire was harmonised, and the frequency became quarterly (January, April, June, and October)⁵.

The Building Crafts Survey was submitted for review to the Quality Label Committee of the National Council for Statistical Information (Conseil National de l’Information Statistique: CNIS) on 2 June 2008. The Committee renewed the Survey's classification as a statistical operation “of public interest” and recertified its statistical quality.

1.2. - Purpose of Building Crafts Survey

Like all business surveys, the Building Crafts Survey is a component of the French system for preparing short-term economic analyses and forecasts. It supplies valuable, timely indications on the sector's recent activity and short-term outlook. However, the qualitative nature of business-survey responses and their subjectivity make them delicate to interpret. Indeed, the value of the survey results diminishes once the quantitative statistics become available.

⁴ Preceded by a pilot survey in November 1950.

⁵ The Building Industry Survey became monthly in September 1993. For more details on the Building Industry Survey, see esp. *The French business survey on the situation and outlook in the building industry*, Insee Méthodes no. 115, May 2006.

Business surveys have another advantage besides rapid availability of information: they supply a fairly complete, consistent picture of an industry, shedding light on areas covered on a very lagged basis (if at all) by conventional statistics. For example, the quarterly Building Crafts Survey gives a view of activity in each sectoral component and explanations for the trends observed—an essential input for short-term forecasting.

The Building Crafts Survey thus helps to track activity in the construction industry (see §3.1.2).

1.3. - Survey field

The Building Crafts Survey covers building enterprises with ten employees or less. The Survey field is described in box 1 below, using the headings of the French Classifications of Activities and Products⁶ and the groupings used in the publication of results. This was the scope of coverage in effect at the time of writing.

Box 1: Scope of coverage of Building Crafts Survey⁷

Under NAF Rev. 1 classification:

Carcase work

- 452A: Construction of one-dwelling houses
- 452B: Construction of miscellaneous buildings
- 452T: Lifting, erection
- 452V: General masonry work

Building installation and completion

Construction of roof covering and frames

- 452J: Construction of roof coverings in modular form
- 452K: Sealing and waterproofing
- 452L: Frame construction

Building installation

- 453A: Installation of electrical wiring and fittings
- 453C: Insulation work
- 453E: Plumbing (water and gas)
- 453F: Installation of heating and air conditioning equipment

Building completion

- 454A: Plastering
- 454C: Joinery installation (wood and plastic)
- 454D: Joinery installation (metal) and locks
- 454F: Floor and wall covering
- 454H: Glazing
- 454J: Painting
- 454L: Outfitting of sales premises
- 454M: Other building completion

⁶ In full: Nomenclature d'Activités Française (NAF) - Classification de Produits Française (CPF).

⁷ The Building Crafts Survey covers Division 45 of the French Classifications of Activities and Products (NAF-CPF) except the following categories, which are not surveyed: Site preparation (NAF group 45.1); highways, streets, and roads; tunnels and subways; building of pipelines, communication, and electricity lines (NAF 452C, 452D, 452E, and 452F); building of sports grounds and other sport and recreation buildings (NAF 452N and 452P), harbours, waterways, dams, and other waterworks (NAF 452R); other specialised building work (NAF 452U); other installation work (453H); and renting of construction equipment with operator (NAF group 45.5).

Under NAF Rev. 2 (beginning 2010)

Carcase work

- 4120A: Construction of detached and semi-detached houses
- 4120B: Construction of other buildings
- 4311Z: Demolition
- 4399B: Assembly works of metal structures
- 4399C: Masonry works and building structural works

Building installation and completion

Construction of roof covering and frames

- 4391A: Roof frames works
- 4391B: Roof covering activities by elements
- 4399A: Waterproofness works

Building installation

- 4321A: Installation works of electrical wiring and fittings in all kind of buildings
- 4322A: Water and gas installation works in all kind of premises
- 4322B: Installation works of thermic and air conditioning equipment
- 4329A: Insulation work activities
- 4329B: Other building installation works n.e.c.

Building completion

- 4331Z: Plastering
- 4332A: Wood and PVC joinery works
- 4332B: Metal joinery works and ironwork
- 4332C: Finishing of sales premises
- 4333Z: Floor and wall covering
- 4334Z: Painting and glazing
- 4339Z: Other building completion and finishing

1.4. - Sampling plan

The unit surveyed is the enterprise.

Two criteria are used to classify enterprises: principal activity under NAF⁸ (19 NAF Rev. 1, 20 NAF Rev. 2 as from 2010, see above) and workforce size used as an indicator of enterprise size. Each stratum is therefore defined by a combination of a sector (grouping of NAF 700 categories⁹) and a workforce-size bracket¹⁰.

The sampling frame is the latest available Annual Enterprise Survey in the construction industry (Enquête Annuelle d'Entreprise [EAE] - Construction), to be replaced shortly by the corresponding Annual Industry Survey (Enquête Sectorielle Annuelle: ESA) (see Appendix 1).

The number of units to be surveyed is chosen for consistency with the stratum weight in the building crafts sector. More specifically, it is proportional to the combined share of turnover (sales) by enterprises in the stratum, determined from the EAE. As the Building Crafts Survey covers only small businesses, there is no exhaustive stratum (i.e., surveyed in full), unlike in other business surveys.

⁸ Nomenclature d'Activités Française (NAF) at the disaggregation level comprising some 700 categories.

⁹ There are four groupings: Carcase work, Construction of roof coverings and frames, Building installation, and Building completion.

¹⁰ The brackets defined are specific to the Survey: bracket 0 = 0 employees; bracket 1 = 1-5 employees; bracket 2 = 6-10 employees.

1.5. - Questionnaires

The Building Crafts Survey is performed quarterly. Most questions are asked in each wave, but some only once a year¹¹. In practice, therefore, only a single questionnaire model is used.

All questionnaires include a section to identify the surveyed enterprise. The section contains the business name and address of the enterprise, its SIREN (Business Register) number, and the name, title, telephone, and e-mail of the person responding to the Survey.

The main questions are listed in Appendix 2. The questionnaire model is reproduced in Appendix 3.

1.6. - Questions asked in the Building Crafts Survey

1.6.1. - Two types of questions

As in nearly all other French business surveys, the Building Crafts Survey comprises two distinct categories of questions: structural questions, asked once a year, and short-term questions, asked at a sub-annual frequency. The data obtained from the second category allow a monitoring of short-term trends in the surveyed sector, while the structural data serve for weighting and stratification.

- **The structural questions** are asked every April. The responses are then preprinted on the questionnaires until the following April. The questions are quantitative, and concern the enterprise's total turnover (sales), turnover by project category (new dwellings; other new buildings; improvement and maintenance of dwellings; other improvement and maintenance work), and workforce size. The structural data by building type are therefore divided into four categories, whereas the short-term questions by project cover three categories. This is due to the fact that new work includes construction of new dwellings and construction of new buildings.

- **The short-term questions** cover one of the following areas:

- the enterprise itself: business activity (total, and by project category), financial position, and employment;

- the enterprise's sentiment on the overall situation in the building industry (question on general business outlook in total building industry).

To facilitate response, most of the short-term questions are qualitative. This makes it possible to obtain information rapidly on variables that are not always immediately available in quantitative form.

1.6.2. - Main topics addressed by short-term questions

- Business activity

Measured by data on the enterprise's past and expected total turnover and turnover by project category¹² as well as by customer category (public sector or private sector).

Respondents are also asked to give their opinion on the current trend in the building industry as a whole, i.e., the general business outlook for all building firms, whatever their size.

- Financial position

Measured by means of two questions: cash-flow position and settlement times. The Survey previously included questions on late payments, which were eliminated in early 2009.

¹¹ Questions asked every year ("structural" questions) are discussed in §1.6.1.

¹² The questions cover three types of projects: new buildings (new dwellings and non-residential buildings); improvement and maintenance of dwellings; other improvement and maintenance work.

- Employment

Business owners are asked about recent employment in their enterprises (change in workforce size in past three months) and about their employment expectations (likely change in workforce size in three months ahead). They are also asked about hiring problems and apprentice training.

- Investment

Business owners are asked quantitative questions on annual realised or planned investments.

1.6.3. - Examples of short-term questions

The questions in the Building Crafts Survey are of two kinds: (1) three-choice questions calling for a positive (increasing, better, etc.), intermediate (unchanged, comparable, etc.) or negative (decreasing, worse, etc.) response; (2) two-choice questions (yes/no)¹³. Here are some examples from the 2008 questionnaires¹⁴:

- Trend in your business turnover in past three months: *increasing, unchanged, decreasing?*
- Are your customers' settlement times: *getting shorter, unchanged, getting longer?*
- Are you experiencing hiring problems: *yes, no?*

As we shall see in greater detail in the second and third sections (§2.4.2 and §3.1.1), the responses to each three-choice qualitative question are summarised in a single indicator called the *balance of opinion*. A balance of opinion is defined as the difference between the percentage of positive responses (increasing, getting longer [for settlement times], etc.) and the percentage of negative responses (decreasing, getting shorter [for settlement times], etc.)¹⁵. From experience, this type of indicator is both very legible and very useful for short-term analysis. The dissemination of results of business surveys such as the Building Crafts Survey largely consists in publishing the main opinion balances computed from the responses and in interpreting their changes.

¹³ For the sake of greater harmonisation with the Building Survey, some questions were slightly reworded, for the most part in 2004.

¹⁴ See questionnaire model at end of volume.

¹⁵ As a rule, enterprises' responses are incorporated into these percentages in weighted form (weighting by turnover or workforce size, depending on the question). For the convention regarding opinions on settlement times, see note 17.

