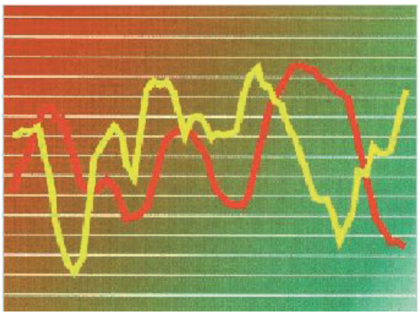
INSEE CONJONCTURE

POINT DE CONJONCTURE



23 April 2020

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Introduction

More and more data are now available to enable us to analyse the functioning of the French economy during the lockdown. In addition to high-frequency data (such as aggregated bank card transaction amounts) and direct feedback from businesses and professional federations, we now have the first administrative and survey data.

This new, more "conventional" information both confirms and clarifies our original immediate estimates of loss of activity, published on 26 March then on 9 April. As of 23 April 2020, we estimate that the French economy is operating at 35% below "normal".[1] In the market sector alone, the loss is estimated at –41%, and even as much as –49% if rental payments are excluded, a component that is not very sensitive in the short term to changes in activity. Household consumption looks likely to be 33% lower than normal.

These estimates suggest a very slight upturn in activity in recent weeks, especially in industry and construction, where some businesses that had previously shut down have probably been able to resume part of their activity after putting measures in place to ensure the health and safety of their employees.

However, the situation has changed very little since the start of the lockdown, so there is little likelihood of much change as long as the lockdown continues in its present strict form. Moreover, this estimate of one third of the economy at a standstill (or even as much as a half, in the market sector excluding rents) is globally compatible with recent results from the one-off survey on activity and working conditions for the workforce, conducted by DARES on companies with 10 or more employees: according to this survey, at the end of March, half of employees were working in companies where activity had stopped completely or had decreased by more than half.

The survey is also consistent with the first feedback from administrative sources concerning requests to be placed on short-time working, which now affect more than 10 million employees, or about half of all private sector workers. Additionally, the first data from ACOSS indicate a 22.6% monthly drop for March in the number of declarations of hirings over more than one month.

Results from INSEE's business tendency surveys for April, published today, also reflect this loss of activity. The business climate has experienced a historic monthly decline, reaching its lowest point since the series came into existence (1980). In some sectors, balances of opinion on expected change in activity in general are approaching, or have reached, their theoretical bottom line (–100); in other words, businesses are unanimously pessimistic: this is the case in particular for accommodation and catering.

Some indicators are less precise than usual. Indeed, statistics too are being tested during this health crisis: survey collection methods, methods for calculating indicators and econometric forecasting methods can all be affected by the consequences of the lockdown. How can we calculate a business climate when, in some sectors – for the time being at least – there is virtually no business?

When we compare this shock to periods of recession in recent decades, it stands out by its suddenness and its magnitude, the direct result of its very unusual nature: the "voluntary" shutdown – for lack of any better way to fight the epidemic – of a large part of the economy. Thus, although the figures from the April surveys may seem spectacular in relation to historical time series, they should not surprise us.

Like a body under anaesthetic, the French economy is performing only its vital functions. Fiscal support measures for companies and households are aimed mainly at encouraging the conditions for recovery – which we know will only be very gradual – then convalescence.

When the lockdown period is over, the loss of national income will have been considerable: the majority will be absorbed by the increase in the public deficit, but a substantial part will nevertheless be borne by companies.[2] Households will also be affected, despite their savings ratio shooting up temporarily as a result of the drop in consumption during lockdown. In addition to the uncertainty over the health scenario, which does not bode well for a rapid economic recovery, there is also uncertainty over the behaviour of households and businesses in this unprecedented situation. ■

1. We would like to thank all of the partners who continue to support us in carrying out this work, especially the CB Bank Card Group, the Directorate General for Enterprises, SNCF Réseau, RTE, the Strategy, Studies and Statistics Directorate of the CNAM, France Industrie, Rexecode, the services of MEDEF, the Federation of Mechanical Industries. The estimates provided in this document are of course the sole responsibility of INSEE.

2. At this stage, our analysis is in agreement qualitatively with that presented recently by the OFCE (Policy Brief n° 66, 20 April 2020). However, we do not believe our forecasts from the agents' accounts are sufficiently reliable for publication.

Economic activity

According to information available on 23 April 2020, French economic activity is expected to be down 35% compared with a normal situation. The order of magnitude of the overall loss remains the same as the estimates on 26 March then on 9 April, with nevertheless a slightly smaller loss in industry and construction, probably due to the reopening of some factories and building sites.

Since our 9 April publication, the estimate has been supplemented by administrative data and new, more detailed feedback from federations and businesses. Finally, the estimated loss of economic activity is consistent with the distribution of employees according to their employment conditions, as measured in the Acemo-Covid survey by DARES.

If such a drop in economic activity were followed by an immediate return to normal, the result would be a loss of around 3 annual GDP points per month of lockdown. However, the overall impact of lockdown will certainly be greater because at first sight it appears that recovery will not be immediate and will probably be slower the longer the lockdown lasts.

French economic activity is expected to have decreased by around 35%. In the market branches, excluding rents, the loss of economic activity is likely to be almost 50%

The estimated loss of economic activity has been revised only slightly since the *Point de Conjoncture* published on 9 April 2020, but it is now even more robust: new sources of administrative and survey data have been mobilised and more feedback has come in from federations/businesses and is more accurate than before. All in all, of the 138 branches monitored in this analysis, more than half have two or more data sources compared with only a third in the earlier publication.

As of 23 April 2020, taking all available information into account, economic activity is expected to be down by around 35% compared to "normal", by 41% for market branches alone, and by 49% for market branches excluding rents (*Table 1*). Estimated activity for the different branches is also likely to be close to the previous publication. In the agricultural branches, the loss of activity is likely to intensify slightly (–13% against –10% on 9 April 2020). Conversely, in industry and construction the loss of activity is a little less extreme (–39% against –43% in industry; –79% against –88% in construction), mainly due to the reopening of some factories and construction sites. In market services, the loss of activity remains stable at around 38%.

The estimated loss of economic activity is consistent with the distribution of employees according to their employment conditions

The Acemo-Covid survey by DARES (see *Employment* sheet for more details) uses responses from businesses to estimate the distribution of employees by branch, according to their different employment conditions, which can then be compared to INSEE's estimate of loss of activity (*Graph 1*). Employees can be divided into two groups:

- those whose employment conditions allow production to continue, even partially (either on-site or on building sites, teleworking or remote working; in blue on the graph);
- those whose employment conditions do not allow production to continue (full furlough, sick leave (including for childcare linked with the health crisis), holidays or opt-out; in beige on the graph).

Excluding coke and refined petroleum, the branches where INSEE's estimated loss of activity is greatest are indeed those with a higher proportion of employees in the second group. This is particularly the case in accommodation-catering, where the loss of economic activity is estimated at 91% and where the proportion of employees on full furlough, sick leave or opt-out is 86%.

Conversely, the branches where INSEE estimated a more moderate loss of activity are indeed those with a higher proportion of employees in the first group. For example, in information-communication, activity is 66% normal (or a 34% loss of activity) and the share of employees working on-site, doing teleworking or remote working is 73%.

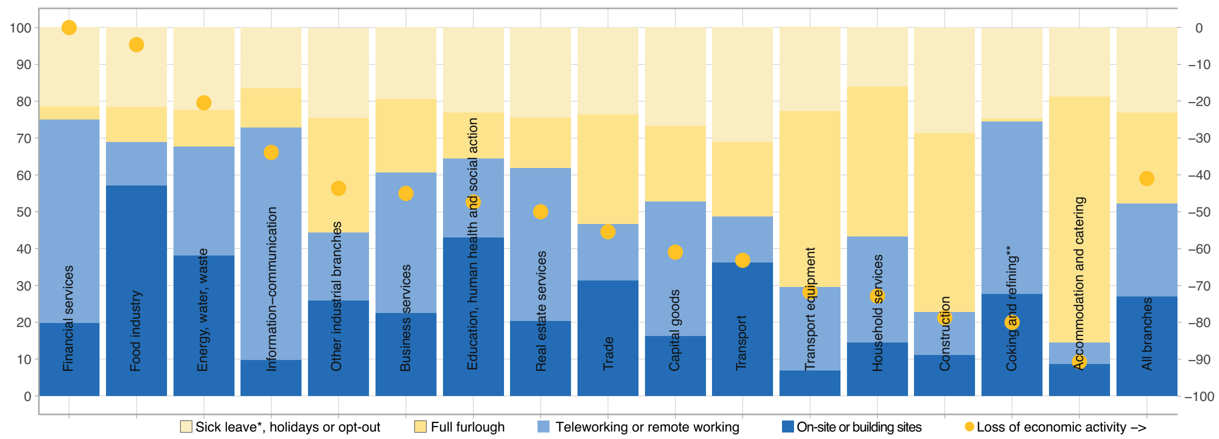
The estimated loss of economic activity is therefore similar to the distribution of employees according to employment conditions. However, the causal relationship between these two factors is not one-directional. A decrease in economic activity can lead to an increase in short-time working or job losses. Conversely, changes in employment conditions linked with the lockdown measures or the difficulty in maintaining

Table 1 - Estimated loss of activity linked with lockdown measure

Sectors	Share of GDP	Loss of activity	Contributions to loss of activity (GDP points)
Agriculture, forestry and fishing	**2**	**–13**	**–0,2**
Industry	**14**	**–39**	**–5**
Manufacture of food products, beverages and tobacco-based products	2	–5	–0,1
Coke and refined petroleum	0	–80	–0,1
Manufacture of electrical, electronic, computer equipment; manufacture of machinery	1	–61	–1
Manufacture of transport equipment	1	–72	–1
Manufacture of other industrial products	6	–45	–3
Extractive industries, energy, water, waste treatment and decontamination	2	–20	–1
Construction	**6**	**–79**	**–4**
Mainly market services	**56**	**–38**	**–22**
Trade; repair of automobiles and motorcycles	10	–55	–6
Transport and storage	5	–63	–3
Accommodation and catering	3	–91	–3
Information and communication	5	–34	–2
Financial and insurance activities	4	0	0
Real estate activities	13	–2	–0,2
Scientific and technical activities; administrative and support services	14	–45	–6
Other service activities	3	–76	–2
Mainly non-market services	22	–14	–3
Total	**100**	**–35**	**–35**
of which mainly market	*78*	–41	*–32*
of which mainly non-market	*22*	–14	–3
Total mainly merchants excluding rents	**65**	**–49**	**–32**

How to read it: As of 23 April 2020, economic activity is expected to have declined by 35% compared with a normal situation. The industry sector, where loss of activity is estimated at 39%, will probably contribute around 5 percentage points to this decline.
Source: INSEE calculations from various sources

1 - Estimated loss of economic activity and distribution of employees according to their employment conditions and branch of activity
in %



Scope :
-Employment: private sector employees excluding agriculture, private individual employers and extraterritorial activities; France (excluding Mayotte).
-Activity: market branches excluding agriculture, rents and private individual employers.
How to read it: during the week of 23 March, 68% of employees in the energy, water, waste treatment sector were able to work (either on-site or on building sites (38%), teleworking or remote working (30%)). The share of activity maintained in the branch is estimated at 80%.
(*) including childcare linked with the health crisis.
(**) the coke and refined petroleum branch is unusual in the organisation of its production in that a moderate reduction in work on site can result in a significant loss of activity.
Source: DARES, Acemo-Covid survey, April 2020, INSEE

adequate working conditions, such as sick leave (including for childcare), opting out or introducing remote working, can in turn lead to a decrease in economic activity. Finally, there are still differences between loss of economic activity and employment conditions for which there are several possible reasons: changes in productivity, in pace of work, in work intensity or organisation, measurement errors, differences between accounting concepts at national and company levels, time lag between companies responding to the survey and the loss of economic activity estimates being prepared, share of self-employment in the different branches, job losses (redundancies, no recourse to temporary employment, reduction in hiring, etc.) etc. However, this relationship makes it possible to assess the robustness of the estimates for loss of economic activity given in the *Points de conjoncture*. ■

Household consumption

According to information available on 23 April 2020, final household consumption expenditure is likely to have declined by around 33% compared with a "normal" period of activity (Table 1). This loss of consumption mainly reflects the drop in purchases of fuel, motor vehicles and other manufactured goods (clothing) as well as accommodation, catering and leisure services. Consumption of manufactured products and market services account for 16 and 15 points respectively in the overall loss, while the contribution of non-market services, construction and agricultural products is considerably lower. The overall loss is slightly less than the estimate made at the end of March (–35%), especially for manufactured products.

This estimate, like the one published on 9 April, is based on the application of consumption loss (or gain) assumptions, item by item at the level of 138 products. These assumptions are based on data from various sources (bank card transactions for 34% of consumption amounts, external information for 22%). For 43% of consumption, the assumptions also reflect the consequences of the regulatory measures in force to combat the spread of Covid-19 (business closures, etc.) and specific consumption behaviours (constant energy requirements, etc.).

The estimate remains at the same order of magnitude as those published on 9 April, and those at a more aggregated level published on 26 March (–35%). Compared with the 9 April

1 - Estimated loss of final household consumption linked to lockdown measures

Products	Share of consumption* (%)	Loss of consumption (%)	Contribution to loss of consumption (percentage points)
Agriculture, forestry and fishing	**3**	**10**	**0**
Industry	**44**	**–36**	**–16**
Manufacture of food products, beverages and tobacco-based products	15	9	1
Coke and refined petroleum	4	–75	–3
Manufacture of electrical, electronic, computer equipment; manufacture of machinery	3	–49	–1
Manufacture of transport equipment	6	–92	–5
Manufacture of other industrial products	13	–62	–8
Extractive industries, energy, water, waste treatment and decontamination	5	0	0
Construction	**2**	**–78**	**–1**
Mainly market services	**46**	**–32**	**–15**
Trade; repair of automobiles and motorcycles	1	–79	–1
Transport and storage	3	–82	–3
Accommodation and catering	7	–89	–6
Information and communication	3	–11	0
Financial and insurance activities	6	0	0
Real estate activities	19	0	0
Scientific and technical activities; administrative and support services	2	–56	–1
Other service activities	4	–79	–3
Mainly non-market services	**5**	**–37**	**–2**
Total	**100**	**–33**	**–33**

* weight in final household consumption spending (excluding territorial correction)

How to read it: on 23 April 2020, final household consumption is expected to have declined by 33%. Consumption of industrial goods, where the loss of activity is estimated at 36%, probably contributes around 16 percentage points to this decline.

Source: INSEE calculations from various sources estimate, the main differences are due to the use of more recent bank card transaction data. Thus the lockdown period of reference is 30 March to 12 April (instead of 23 to 29 March in the *Point de conjoncture* published on 9 April). As overall bank card transaction amounts showed a slight rebound in the first weeks of April, they reduced the loss of household consumption compared with the previous estimate. ■

Business tendency surveys for April 2020: the business climate at its lowest ebb

The April 2020 business tendency surveys of companies were conducted in an unprecedented situation of general lockdown, a measure in place since mid-March to limit the spread of the coronavirus in France. Despite poor response rates, the surveys clearly trace the very sharp decline in business prospects across all the major economic sectors. The scale of this dramatic fall is unprecedented and most balances of opinion on expectations of future activity have dropped to the lowest levels ever seen in the business tendency surveys. The Covid-19 pandemic and its direct consequences (lockdown) are widely cited among the obstacles to production.

Business climates decline

Business climates are presented by sector and at global level in the various issues of *Informations Rapides* published at the same time as this *Point de conjoncture*.

At the global level, the business climate's sudden fall, which began in March, has intensified: it lost 32 points in April, having already fallen by 11 points in March, and dropped to 62, its lowest level since the beginning of the series (1980). The scale of this fall over a single month is also unprecedented: in October 2008, after the Lehman Brothers collapse, the indicator dropped by "only" 9 points. The employment climate has also continued to deteriorate dramatically: after losing 10 points in March, it tumbled by 24 points, its greatest decline since the beginning of the series (1991).

At sectoral level, the spectacular fall in the business climate escalated in services (−37 points in April) and in retail trade (−23 points). This was the largest decline since these series began (1989 for services, 1991 for retail trade).

In April, the indicator also fell in industry, plummeting by an unheard-of 16 points. It fell to 82, a low point that has only been exceeded on two previous occasions: during all of 1993, and from the end of 2008 to August 2009. However, there has never been such a sudden collapse.

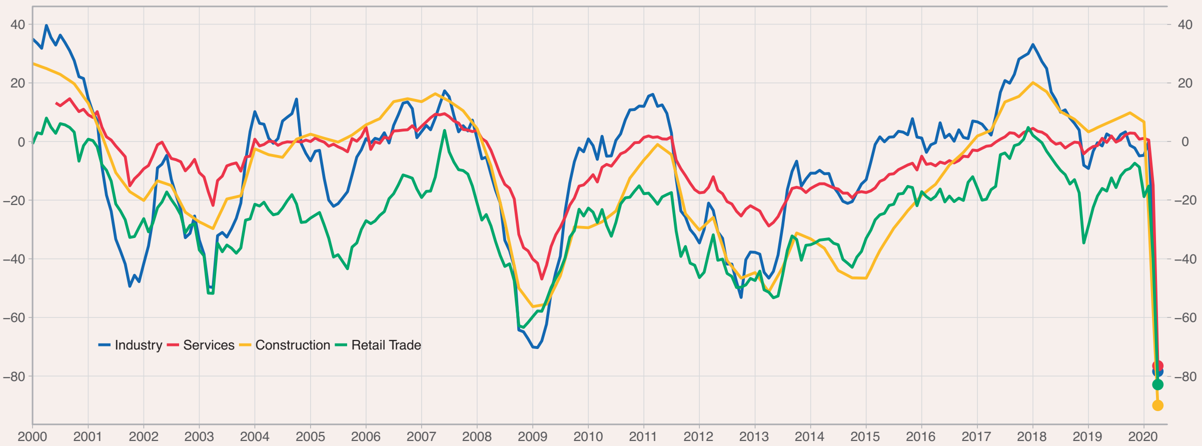
Lockdown has also proved challenging for data collection, and the way that balances of opinion and composite indicators are calculated and interpreted. For example, the business climate in the building industry could not be calculated to the minimum statistical reliability required. There was a particularly high level of non-response in this sector and the method known as the constant sample method (Box), which is usually used to correct for non-response, would have meant that the results were artificially smoothed, largely wiping out the impact of the current shock.

Prospects for activity collapse

Business leaders consider that the general prospects for activity in their sector have deteriorated substantially. This balance of opinion fell dramatically and reached its lowest level since the start of the series in all sectors, clearly illustrating the further deterioration of the economic outlook as perceived by businesses (*Graph 1*). This indicator, calculated as a simple average of responses, is not weighted or adjusted for non-responses: the opinion of each respondent counts as one. In industry too, business leaders are extremely negative about the general prospects for exports in this sector: this fairly volatile quarterly balance of opinion plummeted in April to its lowest level since the series came into existence (1991).

Business leaders are also much more pessimistic about their own prospects for activity, despite the difficulty of anticipating three months into the future in this period of such uncertainty. The corresponding balances of opinion have fallen dramatically in all the main economic sectors, especially in services. In

1 - Balance of opinion of business leaders on general prospects for activity in their sector



Note: the balance of opinion series on general prospects for activity in the building industry is quarterly
Source: INSEE, business surveys

industry and services, this indicator has fallen to its lowest level since the beginning of these series.

In fact, these levels have deteriorated even further if we consider only the responses actually received from respondents, without applying the constant sample method and without adjusting for seasonal variation, providing an instant snapshot of this exceptional situation for our surveys where a sudden shutdown in activity has combined with a huge non-response rate (*Table 1*)

In industry, services and building construction, the proportion of companies reporting "other factors" limiting growth in their activity reached an unprecedented level

In the business tendency surveys in industry, services and building construction, companies are able to report any difficulties that limit growth in their production. For example, they can point out a shortage of personnel, difficulties with supplies or inadequate equipment, by ticking several boxes where necessary. They can also tick the box labelled "Other" at their discretion: in this case they are invited to explain the difficulty encountered. In April 2020, a huge number of companies chose this option. Taking the three surveys together, of the companies that ticked the "Other" box, more than 80% of their comments related to the Covid-19 epidemic.

In industry the share of companies mentioning other difficulties reached its highest level this month since the beginning of the series in 1991: 23% of companies reported "other" difficulties. If we consider only respondents who actually replied this month, without applying the imputation method for non-respondents, then 43% reported "other" difficulties (*Table 2*). In addition, in April, many more business leaders reported insufficient demand and difficulties with supplies in industry than in January (*Table 3*). At the same time, fewer companies declared that they had no difficulties this month.

In the services sector, without the imputation method, a little over two out of five business leaders reported other factors limiting their production; this proportion of companies has never been so high since the start of the series in 2004. As in industry, more business leaders mentioned insufficient demand and significantly fewer reported no difficulties.

In the building construction industry, 65% of business reported "other" difficulties, when only respondents from April were taken into account. In addition, the share of supply difficulties increased this month (*Table 3*); although this share remained limited, it nevertheless reached its highest level since April 2009.

Table 1 - In April, the opinion of respondents on their personal prospects for activity was extremely negative

Balance of opinion on personal prospects for activity for the next three months, April 2020		
	Traditional balance (by constant sample, seasonally adjusted)	Based only on respondents, data untreated
Manufacturing industry	–35	–65
Services	–41	–63
Building construction industry	–22	–78
Retail trade	–45	–62

Source: INSEE, business and consumer surveys of April 2020

Table 2 - "Other" factors limiting growth in production in companies rose strongly in April

"Other" difficulties in the quarterly survey of industry (in %)		
Method	January	April
Excluding constant sample	5.7	43.2
Including constant sample	5.5	23.2
"Other" difficulties in the quarterly survey of services (in %)		
Method	January	April
Excluding constant sample	7.4	41.9
Including constant sample	-	-
"Other" difficulties in the monthly survey of the building construction industry (in %)		
Method	March	April
Excluding constant sample	6.8	64.5
Including constant sample	7.0	21.8

Note: see Box for description of the constant sample method

Source: INSEE, Business outlook surveys in services, industry (January and April 2020) and the building construction industry (March and April 2020), data not seasonally adjusted

Among companies highlighting other difficulties limiting their activity, virtually all mentioned the Covid-19 epidemic and its consequences

In April, in connection with the increase in the proportion of "other" factors limiting production, more than 1,300 comments were analysed across the three surveys, many more than usual. In comparison, in January 2020, companies submitted a little over 300 responses in this category.

Among companies reporting "other" factors limiting their production, 83% cited the "Covid-19" epidemic (*Figure 1 and Graph 2*). This was by far the most cited word, the next being "crisis" in 12% of comments, followed by "health" (8%). The consequences of the fight against the epidemic, such as lockdown, closures, short-time working and site shutdowns were also mentioned. ■

Table 3 - In industry and construction, the share of supply difficulties increased

Supply difficulties in the quarterly industry survey (in %)		
Method	January	April
Excluding constant sample	9.6	19.9
Including constant sample	9.5	12.7
Supply difficulties in the monthly building construction industry survey (in %)		
Method	March	April
Excluding constant sample	2.5	11.5
Including constant sample	2.3	4.7

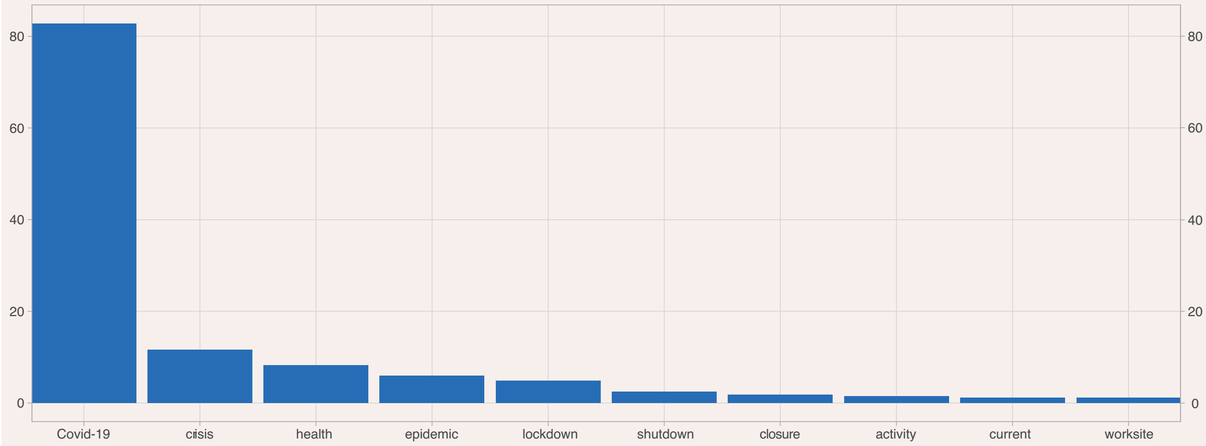
Note: see Box for description of the constant sample method

Source: INSEE, business and consumer surveys in industry (January and April 2020) and the construction industry (March and April 2020), not seasonally adjusted

Figure 1 - Word cloud showing the thirty words most cited by companies

How to read it: the larger the size of the word in the word cloud, the more frequently it appeared in comments left by companies
Note: the text was cleaned up beforehand, mainly to remove words that provided no information or meaning to the analysis (e.g. the article "the"). Words referring to the same idea were grouped together, this is the case for the words "coronavirus", "virus", "covid", etc. which were grouped under the heading "Covid-19" and the word "pandemic" was grouped under "epidemic".
Source: INSEE, Business outlook survey April 2020 in industry, services and the building construction industry

2 - In April, virtually all comments referred to Covid-19 and its consequences



Source: INSEE, business survey of April 2020 in industry, services and building industry

Box

Data collection during general lockdown

Business tendency surveys for April 2020 were collected in an unprecedented situation of general lockdown, a measure in force in France since 17 March to combat the spread of Coronavirus. Companies' responses were collected online only and none of the usual reminders were sent out to companies that were late with their replies. Collection started on 25 March and the responses received were analysed on 17 April to obtain provisional results. A number of companies were unable to complete the questionnaire, and therefore the response rate was significantly lower than usual. Out of approximately 13,800 companies that were surveyed by INSEE in April, about 4,000 replied, all sectors combined. Depending on the sector, the response rate ranged between a little under 20% for building construction and 36% for industry. As a proportion of turnover, this rate has deteriorated a little less, reaching as much as 45% across all of retail trade and the trade and repair of automobiles and motorcycles, the sector with the best coverage this month from this point of view.

Construction sector surveys were affected most in April. In addition to the major issue of the total or partial shutdown of their building sites, many companies in this sector prefer to use the paper format questionnaire rather than reply online.

For almost all the monthly balances of opinion, non-responses were processed using what is called the "constant sample" method, which consists in imputing responses from previous surveys to non-responding companies. Companies that had replied the previous month made up the core of the constant sample established in order to calculate the provisional results for the current month (month m) and the final results for the previous month (m–1). If companies had not yet sent in their responses for the current month by the time the first survey analyses were performed, their responses from the previous month were carried over for the current month. Companies that replied in the current month (m) and also two months previously (m–2) were also part of this constant sample: their missing response for the "middle month" was imputed according to their responses in months m–2 and m, in accordance with rules that take into account the possibility that their opinion may change between these two surveys. However, companies that responded in the current month (month m) but did not respond even once to the two previous surveys (months m–1 and m–2) were excluded from the constant sample. Their responses will be taken into account next month, when the final results for month m are produced. The aim of this constant sample method is to show how tendencies reflect an effective change in the short-term outlook as perceived by businesses, rather than demonstrate structural effects. The aim is also to limit the revisions required when late responses are taken into account. However, the method introduces some sluggishness by automatically prolonging opinions expressed previously by business leaders. It is effective in periods of regular change or moderate fluctuations in activity, but it is less well suited in the event of a sudden decline, combined with the lack of responses from a very large number of businesses. It is therefore perfectly possible that this method has a tendency to underestimate the already extremely serious collapse in the business climate. ■

Is the first feedback on employment and working methods during lockdown consistent with assessments of global activity?

Two data sources can be used to start quantifying the impact of the lockdown on employment and working methods: the "Acemo-Covid" survey by DARES of private sector companies with 10 or more employees, and the first feedback from administrative sources on the use of short-time activity. These data and assessments are consistent with the hypothesis of an economy operating at about 2/3 capacity, all sectors combined, with a more significant decline for the market sector.

Lockdown has divided the active population into five main working situations: people who continue to work at their usual place of work, people who are in lockdown but are teleworking, people who are in lockdown and who are officially still employed but who are on short-time activity or short-time working, those who are on leave to look after their children because schools have closed, and other types of leave such as sick leave, etc. Lockdown may also have resulted in an increase in the number who are officially unemployed or inactive, although the short-time activity scheme is intended to limit this phenomenon as far as possible. Lockdown has also resulted in a substantial slowdown, or even a complete halt placed on hirings or contract renewals. What information is available to quantify these different phenomena? Is it consistent with the figures for global economic activity presented since 26 March in INSEE's first three Points de Conjoncture?

First results at company level

Activity and employment conditions can be observed by surveying employers or households. At this time, we do not yet have sufficient data from official statistics with which to measure the effects of lockdown from the point of view of households: these data will only start to become available in the next few weeks (*Box*).

Concerning employers' point of view, under normal circumstances this is monitored by the Acemo survey (Labour force activity and employment conditions) carried out by DARES. This quarterly survey of enterprises with ten or more employees in the market sector excluding agriculture covers about 15 million employees. In the context of the Covid-19 crisis, this quarterly survey has been replaced by a monthly survey, called "Acemo-Covid", developed with the assistance of INSEE in a very short time. The first wave of data was collected online between 1st and 10 April, and the results published on 17 April. Enterprises replied to 15 questions relating to their situation at the end of March: activity, changes in employment, recourse to different schemes in order to manage under-activity, and also measures to protect employees working on site.

Within its scope, the survey first reports a low rate of redundancies. Eleven percent of employees were working in a company whose workforce had decreased due to the crisis, but this had been due mainly to postponing or cancelling hirings and not renewing fixed-term contracts.

Companies that reported that the crisis had not affected changes in their workforce accounted for 85% of employment in the scope of the survey, those who said that their workforce had increased represented 3%. ACOSS's Economic Barometer of 22 April confirmed the decline in recruitment: the number of declarations of hirings of more than one month in all sectors, excluding temporary employment, fell back by 22.6% in March.

For current employees (*Table*), the Acemo survey estimates that about one quarter of staff are working on site, one quarter are working remotely, another quarter are on short-time activity or short-time working and the rest of the population corresponds to the different types of leave, with a tiny proportion of employees having exercised their right to opt out. Presence on site or remote working are more widespread in the larger companies, and they also have less recourse to the use of short-time activity schemes.

Results by sector are in line with expectations, with a massive use of short-time activity or short-time working schemes in accommodation-catering (IZ), automobiles (C4) and construction (FZ), on-site working still accounts for more than 50% of employment in the manufacture of foodstuffs (C1) and the use of remote working also accounts for more than half of employees in information and communication (JZ) and in financial and insurance activities (KZ).

When interpreting these percentages and comparing them with estimates of a decline in activity, there are many factors to take into account:

• the fact that the percentages published by DARES are obtained from responses where workforce numbers are broken down into broad tranches, which can affect their accuracy;

• the fact that the point of reference in terms of volume of work is not a situation with the entire occupied labour force at work on site. According to the Labour Force survey, in a normal week in March, excluding school holidays, there are already 7% of the occupied labour force who are not working in that week;

• the difference in scope between the two estimates. For the global economy, INSEE reports a drop of 35% in activity; this figure is 49% for a scope as close as possible to that used by Acemo, that of the non-agricultural market sector and excluding rents for the real estate sector, however, this adjustment does not make up for the exclusion by the Acemo survey of companies with fewer than ten employees;

• finally, there is no reason why the figures should coincide, even after monitoring all the factors mentioned above, because the populations who are continuing to work or have stopped working do not necessarily have the same levels of productivity in normal times and also because the productivity of those who remain active may be affected upwards or downwards by current working conditions.

As these data stand, it is possible only to observe that they provide similar orders of magnitude, confirming the estimated drop in activity reported in INSEE's *Points de Conjoncture*.

Table 1 - Conditions for carrying out professional activity according to the Acemo-Covid survey by DARES, data collected from 23 to 27 March

	Work on site or on building sites	Teleworking or remote working	Short-time activity or short-time working	Sick leave (including childcare)	Holi-day	Opt-out right
All	**27**	**25.3**	**24.7**	**13.2**	**9.3**	**0.5**
By company size						
10 – 19	22.4	18.2	40.6	9.7	8.5	0.5
20 – 49	25.5	20.3	33.7	10.8	9.2	0.5
50 – 99	29.2	22.9	26.6	12.1	9	0.3
100 – 249	27.9	26.7	23.2	13.3	8.6	0.4
250 – 499	27.7	28.1	19.7	14.4	9.7	0.4
500 or +	27.9	28.6	18.1	15	9.8	0.6
By sector						
DE – Extractive industries, energy, water, waste treatment and decontamination	38.1	29.7	9.8	12.7	9.6	0.2
C1 – Manufacture of food products, beverages and tobacco-based products	57.2	11.8	9.4	13.3	8.2	0.2
C2 – Coke and refined petroleum	27.8	46.7	0.9	17	7.5	0
C3 – Manufacture of electrical, electronic, computer equipment; manufacture of machinery	16.3	36.6	20.4	14.4	11.6	0.8
C4 – Manufacture of transport equipment	7	22.6	47.7	12.3	10.2	0.4
C5 – Manufacture of other industrial products	25.9	18.5	31.1	14.3	9.7	0.4
FZ – Construction	11.2	11.7	48.5	10	17.7	0.9
GZ - Trade; repair of automobiles and motorcycles	31.4	15.4	29.6	12.6	10.7	0.3
HZ – Transport and storage	36.2	12.6	20.1	18.9	11	1.3
IZ – Accommodation and catering	8.7	5.8	66.9	8.5	9.8	0.3
JZ - Information and communication	9.8	63.1	10.8	6.9	8.7	0.7
KZ – Financial and insurance activities	19.8	55.3	3.5	15.2	6.1	0.2
LZ – Real estate activities	20.4	41.5	13.8	14.8	9.1	0.4
MN – Scientific and technical activities; administrative and support services	22.5	38.2	19.9	10.8	8.2	0.5
OQ – Education, human health and social work activities	43	21.5	12.5	16.6	5.9	0.5
RU – Other service activities	14.5	28.9	40.6	10.4	5.5	0.2

Scope: private sector employees excluding agriculture, private individual employers and extraterritorial activities; France (excluding Mayotte).

How to read it: during the week of 23 March, 27.0% of employees worked on site or on building sites. This percentage was 22.4% for companies with a workforce of between 10 and 19 employees.

Source: DARES, Acemo-Covid survey, April 2020

First administrative data for short-time activity

Of the figures published in the Acemo-Covid survey, those relating to short-time activity or short-time working can be compared with the first administrative feedback now being published on a weekly basis by DARES, DGEFP and Pôle emploi. On 21 April, the cumulative total of requests to be placed on short-time working concerned 10.2 million employees. This figure is very much higher than the 25% given in the Acemo-Covid survey, which represented 3.75 million people. Obviously the scope of the Acemo surveys has an effect, in that they are limited to companies of 10 or more employees. The difference can be explained by the effect of a gradual ramping up of the scheme. In fact, the number of applications actually submitted was, in contrast, very much lower than the numbers declared in the survey for its reference period (*Graph*). On 27 March, the cumulated number of requests was still only 2.3 million, and since that date it has increased on a regular and continuous basis.

If this figure of more than a third of workers on short-time activity were confirmed, it would reduce all other forms of leave (including leave for childcare) to an insignificant amount. It is possible that these different types of leave merely played a temporary role pending the possibility of using the short-time activity scheme. It is also possible, conversely, that ultimately not all requests will be granted, since what is measured at this stage are only requests for prior authorisation which do not give the actual numbers accepted, either in terms of beneficiaries or duration. It is only once we have come out of lockdown that we will gradually be able to have a complete and coherent view of what employment conditions were really like during the entire period and also how they changed. ■

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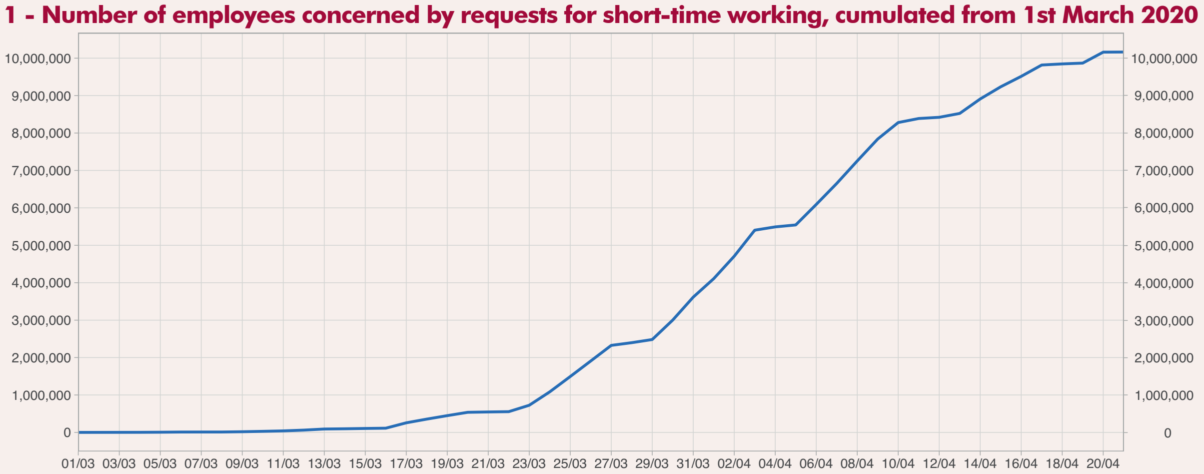
DARES, (2020) DGEFP et Pôle emploi, « Situation sur le marché du travail durant la crise sanitaire », tableau de bord au 21 April 2020. ■

1 - Number of employees concerned by requests for short-time working, cumulated from 1st March 2020



Source : ASP-DGEFP-DARES

Box

What will the other usual sources be able to tell us about employment and unemployment?

In normal times, INSEE's Labour Force survey is the main tool used to monitor activity and working conditions seen from the perspective of households, based on a very detailed questionnaire, harmonised at European level. Every quarter, it covers a population of about 100,000 people. Individuals in a surveyed household are interviewed in detail in six consecutive quarters on their activity during a "reference" week, with these reference weeks distributed over the entire sample to cover all the weeks of each quarter. Thus the last two weeks of March were "reference weeks" for about two in thirteen households in the survey.

This survey was designed to provide information on average weekly activity over the entire quarter, and was never intended to be used for infra-quarterly monitoring: data collected for a specific week are not very detailed and not necessarily representative of the whole sample.

However, the current context has led to an attempt to use the survey at this infra-quarterly level. As the collection of information for a reference week is spread over 3 weeks, data collection for the end of March has just been completed. Results could be published in one of the two *Points de Conjoncture* in May, with two additional reservations on their interpretation:

• first, the fact that the quality of data collection was affected by Covid-19. Usually, this takes place partly in people's homes and partly by telephone. Data collection at home had to be stopped and response rates by telephone may have been affected by this change in the protocol;

• second, the fact that the very unusual context of this crisis will make it more difficult to interpret some of the indicators traditionally measured by the survey. It is used primarily to measure "ILO" unemployment. However, in order to be classified as ILO unemployed, a person must be actively seeking work, something that in the current context may be impossible (e.g. people seeking jobs in sectors that are closed or virtually so) or more difficult. It also assumes that a person is available to take up a job, which again in the context of lockdown becomes problematic. The result will be that additional indicators around unemployment will be taken into consideration more than usual, such as the "halo of unemployment" indicator which includes people without employment and willing to work but who have not taken any specific action or are not available immediately.

To supplement this information that the Labour Force survey could soon provide, INSEE has also enhanced the questionnaire for its monthly consumer confidence survey, CAMME. This survey is carried out exclusively by telephone and is used to calculate the consumer confidence composite indicator, which had started to decline in March. Figures for April will be published on 28 April. Data collection for May will include an additional module on lockdown conditions, including questions on activity.

Finally, it will now be possible to start using information from DSN (Nominal Social Declaration) for March, which is transmitted every month to social protection bodies from company payroll files: it provides data primarily for payroll statistics published by ACOSS, and quarterly employment statistics published jointly by ACOSS, DARES and INSEE. It will also be able to provide information on numbers in the occupied labour force affected by short-time activity and by a reduction in their hours worked. ■

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