

Procedure

Quarterly payroll employment is estimated in two stages:

- 1) For past years, INSEE compiles annual estimates of employment by *département*, région, occupational status, and activity sector from several sources, which are generally comprehensive. They include:
 - contributors to unemployment-insurance funds (UNEDIC) and social-insurance funds (URSSAF, MSA);
 - employment in large State-owned or partly State-owned enterprises ("Grandes Entreprises Nationales": GENs);
 - employment in healthcare and social-services;
 - central -and local- government employees.

These estimates are benchmarked to population census data.

- 2) During the current year, INSEE compiles national quarterly estimates based on annual estimates of previous years, with the aid of suitable indicators. Nearly all these indicators are derived from two sources covering establishments with ten or more employees:
 - the Survey on Labor Activity and Employment Status (ACEMO) conducted by the Statistical Office of the Ministry of Employment and Solidarity (DARES);
 - statistics prepared by the central unemployment-benefits agency (UNEDIC) from responses to establishments contributing to the unemployment-insurance system.

Both sources were effectively used until Q2 1992. From Q1 1993 through the preliminary data for Q2 1995, only the quarterly indicator based on the ACEMO survey was used. The reason was that UNEDIC began using the new French classification of economic activities (NAF) for its quarterly statistics in Q1 1993, whereas INSEE continued to use the old classification (NAP) for its own employment estimates.

INSEE switched to the new NAF classification for the publication of the revised Q2 1995 figures. This enabled the Institute to resume the use of UNEDIC statistics along with the ACEMO survey results, which, since that date, have been tabulated in NAF format.

For reasons of statistical reliability, and, in particular, owing to the availability of quarterly indicators, INSEE prepares and disseminates quarterly estimates for thirteen of the sixteen headings in the Summary Economic Classification (Nomenclature Economique de Synthèse: NES 16) linked to the NAF. This new field of quarterly estimates (categories EB to EP) covers the most cyclically sensitive activities.

Method

Regardless of the source—ACEMO or UNEDIC—the indicators used for the quarterly estimates are biased with respect to the annual estimates. The reason is that they do not take into account the changes in employment in establishments with fewer than ten employees or in new establishments. A bias correction is therefore needed. It is obtained by benchmarking the indicator for each activity sector (under NES 16 headings) to past annual estimates. When it switched from NAP to NAF, the Institute revised its estimation procedures to update the bias corrections and improve its methods. These procedures are now updated at the start of each year and are applied with no variations to the four consecutive quarterly estimates for that year. The series are also seasonally adjusted.

(*). All sectors excluding agriculture, government, education, health, and social services

Several successive estimates are prepared for each quarter. In the second month after the end of the quarter, INSEE compiles a preliminary estimate based on an initial processing of ACEMO survey data, the only source available. These estimates, which are more fragile than the following ones, are released only for the broad activity groupings: goods-producing industries, construction, services, and all headings from EB to EP. In the third month after the end of the quarter, we prepare a new estimate based on a fuller analysis of the ACEMO survey and the UNEDIC quarterly statistics. Lastly, when the new annual estimates are available, we adjust the quarterly figures for the years concerned.