



UvA – Project DIADSE – Dialogue for Advancing Social Europe

French Country Report – Labour Law Reforms and
Social Dialogue

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Outline

- Setting the context for explaining the reforms;
- Explaining political factors triggering the reforms;
- Analysing the positions of the social partners or other socio-economic organisations in the reform processes (involvement, consultation, or opposition)





French socio-political context

- As in many other EU countries, labour and social regulation has been identified by politicians and policy makers as a major cause of the high unemployment rates in France.
- No direct commands from the EU institutions but the French government has followed the recommendations issued by Brussels - aiming to develop a French flexicurity approach
- Policy approach of structural reforms - lifting of rules that introduce rigidities on the labour market.



Major labour and social reforms

- 14 June 2013 with the adoption of the law to “secure employment”, following the signing of the national inter-professional agreement of 11 January 2013, which intends to establish "a new Economic and Social model in supporting competitiveness and to secure employment and careers of employees.“
- Macron Law on Economic Growth and Activity 2015
- New Law on social dialogue 2015



Law on Secured employment 2013

- Aim: to facilitate the “adaptation to structural and cyclical economic change”
- Allows companies to adopt agreement on job retention – temporarily modify workingtime/wages/employment
- Reforms collective economic dismissals procedures
- Facilitate conciliation in labour courts – allows the payment of lump-sum compensation based on employees’ seniority



Law secured employment

- To promote dialogue at company level:
- It streamlines and improves the quality of information provided to the employees' representatives bodies – new unique database with the economic and social information on the company
- It secures the information and consultation procedures of the employees' representatives bodies
- In terms of HR management it allows a better anticipation on strategic orientations of the company



Law on secured employment – More secured occupational pathways

- Generalisation of complementary health insurance for all employees
- Rechargeable rights for the unemployment insurance
- Bonus on social security contributions for companies recruiting young workers with open-ended contracts
- Penalisation of social contributions for very short fixed-term contracts
- Create a personal training account (developed Law 05.03.2014)
- stricter limits to use of part-time work
- Right to secured voluntary mobility period .



Measures to fight segmentation of the labour market

- Legislation on penalisation of employer's social contributions for quite short fixed-term contracts – Bill 1.07.2013
- New Law on TWAs -10.07.2013 (based on agreement by the social partners)



Measures promoting youth employment – or for groups at risk of exclusion

- Contract de generation, Law 1.03.2013 (based on national interprofessional agreement in 2012)– mentoring system – combining youth and senior employment –Public subsidy available – not fully successful outcomes, according to the interviews
- Emplois d’avenir – new future contracts – evaluated as successful, 31-10-2012
- Apprenticeship contract.
- Internships
- Disability quotas



Measures to promote youth employment

Decree No. 2014-1420, 27 November 2014 related to the supervision of training periods in professional environments and of internships / it implements Law No. 2014-788 of 10 July 2014, promoting the development, internship supervision and improvement of internships.

This Decree supplements existing legal provisions and specifies the implementation of the three objectives of the law: integration of interns in training courses, supervision to limit abuses, and improvement of internship quality and of the status of interns.



Reforms of collective bargaining and social partners representativity

- Trend to decentralization of collective bargaining
 - Laws in 2004 and 2008 (deviation in peius by agreement adopted at company level is possible under certain circumstances)
- Trend to individualisation
- New Law on Social Dialogue 2015



The Rebsamen Law

- The Rebsamen Law on labour relations and employment was adopted by the National Assembly on 23 July 2015.
- On the heels of the Macron Law, which aims to provide more flexibility to employers, the French government recently enacted this law. The Rebsamen Law aims to simplify relations between employers and employees representatives and promote employees' representation at SMEs



Opinion of Social partners – slow process of social dialogue?

1. Political focus on labour law related issues. In general, new governments want to implement new initiatives, This sets the agenda for the negotiations, but in a rather random way and often without having thoroughly investigated the results of previous initiatives.
2. The process of negotiating towards an Accord National Interprofessionnel starts with a roadmap of the government. This roadmap can be highly influenced by lobbies of either unions or employers' organisations which makes it difficult to have a really open negotiation.
3. New legislation in the field of labour law is issued not only by the Ministry of Labour, but also by other ministries. As an example the Act Macron 2015 can be presented. This Act contains several amendments on the rules regarding collective redundancy, without social partners being consulted in any formal way.



‘Report Combrexelle – constraining factors blocking social dialogue

The ‘Report Combrexelle’ issued by the Conseil d’État provides an analyses of the current state of the social dialogue.

- The starting point is that the collective bargaining as it is, is not equipped for the current timeframe that demands flexibility and velocity.
- The complexity of the French labour code is mentioned as a limiting factor.
- Financial issues
- Representativity criteria of employers and employees. Recently regulated – no full satisfaccion.



Social partners views

- Role of social partners:
Only partially negotiated reforms
- Often initiators of the reforms with their agreement but not always fully satisfied with outcomes of the legislative process
 - preservation of status quo in industrial relations
- Some positives views – good practices – i.e. alternative to redundancy: employment adjustment programmes or creation of paritarian funds for training



How to promote social dialogue?

- In 2007 and 2008 the social dialogue in France had an impulse due to the Act on Modernising social dialogue 2007 and the Act on Social Democracy 2008. These acts oblige the government to consult the social partners with respect to new envisaged legislation in the field of labour law. Alternatively, the government can oblige the social partners to negotiate on a national level on a certain issue that the government desires to regulate. If an agreement is reached, this will be codified into an act. The interviews conducted show that both unions and employers' organizations are positive with respect to this development.



Structural reforms v. slow motion?

- Lack of awareness of the changes...
- Limited positive labour market effects of reforms
- Social partners have been involved in some of the reforms – less satisfied with others

In other crucial reforms as the new Law on Social Dialogue no agreement by social partners – Government has imposed unilateral reform



Real tangible results of labour market flexicurity reforms?

- **Increasing the costs of short fixed-term contracts**
- This measure has not lead to the decrease of short term contracts (one month), although the costs of such contracts are increased. According to the report 2015, the number of employees that are hired for one month or shorter has on the contrary increased from 14.9 million in 2013 to 15.7 million in 2015.



Rechargeable unemployment rights

- This provision makes it possible for people that are regularly in and out unemployment to keep their unused accrual of rights if they find new employment instead of losing the accrual. The reporting committee indicates that in October 2014 23,000 beneficiaries have benefited from this provision instead of the expected 1 million possible beneficiaries.



Legal minimum of 24 hours in part-time contracts

- Establishing a It is possible to deviate from this legal minimum on a sector level. The evaluation report shows that in many sector agreement this is the case and a lower minimum is established. This seems to indicate that the protective objective of the measure has not been reached, under the influence of the social partners themselves.



Decreasing activity in case of serious economic problems

- Companies that are confronted with a difficult economic environment or with exceptional circumstances can temporarily decrease their activities.
- - employees receive a compensation for the unemployed hours, paid by the employer but partly borne by the State.
- - From the evaluation it becomes clear that the objectives of the measure are met: increase of companies that make use of the possibility to decrease activity (from 86.9 % to 90.1 % of the companies with less than 50 employees) & in more sectors
- - Thirdly, the number of authorized hours to cut has increased with 25% and the authorized period has lengthened from 2.5 to 3.5 months.



Are changes being implemented too slowly in France?

- Thanks for your attention!
- Any Comments?