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## FRANCE NATIONAL SITUATION RE TO RESTRUCTURING

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The French situation shows comparable socio economic indicators to most of the Southern and Central European countries: unemployment rate growing fast, especially youth unemployment, growth of part time work and of precarious work (involuntary part time, fixed terms and temporary contracts). Poverty rates and unequal salaries are still in a growing trend in most of the French territories, work being insufficient for people to meet their needs.

Even if both preventive and corrective measures have been promoted at EU level, among which apprenticeships and youth guarantee schemes, unemployment remains unsolved, having social impact on families, communities, territories and individuals lives.

In terms of total number of employees, salaried employees in SMEs (0-249 employees) are of 7.029 thousands whereas salaried employees in large Enterprises are of 5.995. (source MINEFI/DGCIS, 2010 data). As of 31 December 2009, 26.1% of employees of TPEs worked part time, 11.4% were employed on a temporary contract and 8.4% have a subsidized Contract (for example, professional contract, apprenticeship or training contract)<sup>1</sup>.

Companies and sector main actors, employers and social partners, still do not cooperate systematically to bring efficient solutions. The 14 May Law related to “jobs security and guarantee”, designs the “flexicurity” in a French way. It plans the long term Contract protection for workers having precarious contracts; also the extensive rights to health protection for all workers (especially beneficial for SMEs and very small companies employees). This legal state of rights and protections could bring some concrete positive effects at work, if social partners still promote it, and if companies are willing to change their management’s strategies.

Among the main changes in Labour law, this law reforms:

Workers protection ;

Companies incentives for job security improvement;

Social dialogue facilitated with an increasing role for Workers representatives in governance structures

A lot of social plans are going on in France, e.g. the automotive industry<sup>2</sup>, like closing of Peugeot near Paris and their subcontractors, but also Banks (Société générale, Crédit agricole), insurance companies, and industrial Arcelor Mittal site closure in Florange. Food industry is affected too, with the Closing of factories, like Doux, chicken factories.

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<sup>1</sup> Restructuring in SMEs : France, Eurofound 2013, p. 2.

<sup>2</sup> There is a big debate about the future of the French automotive sector. Compared to German industry it is more specialized in the mid- and low segment. Renault has outsourced a lot into Eastern Europe and Turkey, Peugeot mainly in Western Europe.

In 2009, 322.000 jobs disappeared, equivalent to 308.000 full time jobs (source : INSEE, 2010)

In the last two years, we have a big debate on the French competitiveness. The labour cost is compared to Germany, as the labour cost includes not only the employers participation to welfare, but also each worker's social protection (illness, family wages, . Also the no-cost factors are discussed, competitiveness is not only about costs: the labour market and the weaknesses of the social dialogue. One of the big French CEO's said that this is one of the main handicaps, for him, i.e. the difficulty to discuss problems together and to lead this discussion into an agreement. "A lot of discussions", but they are rarely solved by social dialogue. It is about the capacity of the companies and the trade unions, on national level too, to deal with main issues.

Several initiatives and company negotiations result in good practices in terms of avoidance of restructuring bad impact: for example, the recent Thalès Group Company agreement does not allow restructuring as such, but promotes anticipatory measures and managements of job demands and needs<sup>3</sup>.

what is the system of lay-offs, compensation, duties of companies, public system, etc. Everything is on the table. One negotiation is about quality of working life. One suggestion is to constitutionalize the social dialogue, to respect the social partners more.

Big contradictions between SMEs and big companies still remain in the Productive Renewal Hollande Government policy. We do not have a mediating institute, from the government, independent. If you speak about conflicts, the tradition in France is that the state intervenes.

At least one party asks for it. Unions ask the prefect to organize a round-table, not law or written policy, but still routine. The labour administration is informed about the content of the plans, can comment in writing and issue observations, remarks and proposals. If they think the plan is empty they can issue a special document that they works councils can bring it to the unions that can block and restart the whole process (information, etc.). No lay-offs in the meantime. It is a tool which is used. A lot of negotiations taking place at the company level is legally demanded, but no obligation to conclude. Only to bargain/negotiation. No official mediation. (-Is it common that there are strikes during the negotiations?) Yes. Obligation of social peace does not exist. If there is, it is an incentive to come to agreement to avoid dirty conflicts (Sweden).

*Discussion and comparison:* In the Netherlands now one big employer organization for both SME:s and big companies. The metal sector had two sectorial collective agreements, one for the bigger companies (more than 1200 hours of work load) and one for smaller, ICT, construction etc. Now discussing one common contract to promote mobility between big and small companies. In order to keep the unemployed within the sector. The new government wants to decrease the severance pay but special work-to-work programs, so it is moved from the individual to the company.

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3 Thalès Agreement, 26 Apr. 2013, for the "Employment and professional mobility enhancement" : <http://www.cfdt-thales.com/actualites/emplois-et-parcours-professionnels-mieux-securises.html>

In France the agreement is completely integrated for metal industry, but at a very minimal level. Only applies to small companies that have to struggle a lot to meet these standards. Are subcontractors to the big companies that outsource to them but pay high wages themselves. On the employer side, three main confederations. One for Crafts, one for SMEs. Leads to a lot of tensions between them, since they slice the membership requirements in different ways and end up competing! Hard to stay unified.

In France the negotiation is only about minimum wages in the collective agreements, never about the REAL wages. That is only on company level. In Sweden it is about the percentage raises for industries, then translated to individuals after negotiations within that frame. In Netherlands the sectoral agreements translates directly to individuals.

Also important some of the issues and laws and requirements are only for the large employers, generally. Or at least, the bigger employers and bigger redundancy programs means higher demands. In Sweden, rules apply to everyone except for very small companies and can protect a handful of key people during lay-offs (last in first out).