



COUNTRY REPORT :

France

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- A focus on small company level: (M')

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The French Industrial Relations system (main features)

- Historically settled on sector level (1936; 1950....) but a trend to decentralization at company level since the 1980s
- Major role of extension : 95% employees covered by a collective agreement
- A close involvement of the State in collective bargaining
- Low unionization rate : a weak and divided union movement
- August 2008 law : Trade Union legitimacy related to votes on works council elections

Recent evolutions in the Industrial Relations system

1. Bargained public action: in the context of a close involvement of the State in collective bargaining, an employment policy based on bargaining leading to an instrumentation of bargaining. Since 2007 :

- Guidance document drawn up in tripartite committee
- Bargaining over a cross-industry agreement
- Law and decrees

2. Strict monitoring of company-level bargaining:

- On employment issues, a series of laws make it compulsory (under threat of penalties) to bargain at company level on different topics related to employment (GPEC, senior staff, arduousness...)
- SMEs can be covered by sector level agreement
- These laws set up methods, indicators and mandatory issues to bargain on
- If an agreement cannot be signed, an action program must be debated in a works council meeting and sent to the local labour administration.

Bargaining process to promote active ageing or youth employment

1. 2005 :

- incentive to negotiate in more than 300-employee firms on prospective management of competencies and employment (GPEC) with a special chapter on older workers (not very effective, even after the 2008 cross industry agreement on GPEC)

2. Dec. 2008 :

- obligation in over 50-employees firms (under threat of financial penalties) to negotiate, by Dec 2009, an agreement (or an action program) dealing with maintaining older workers in employment.

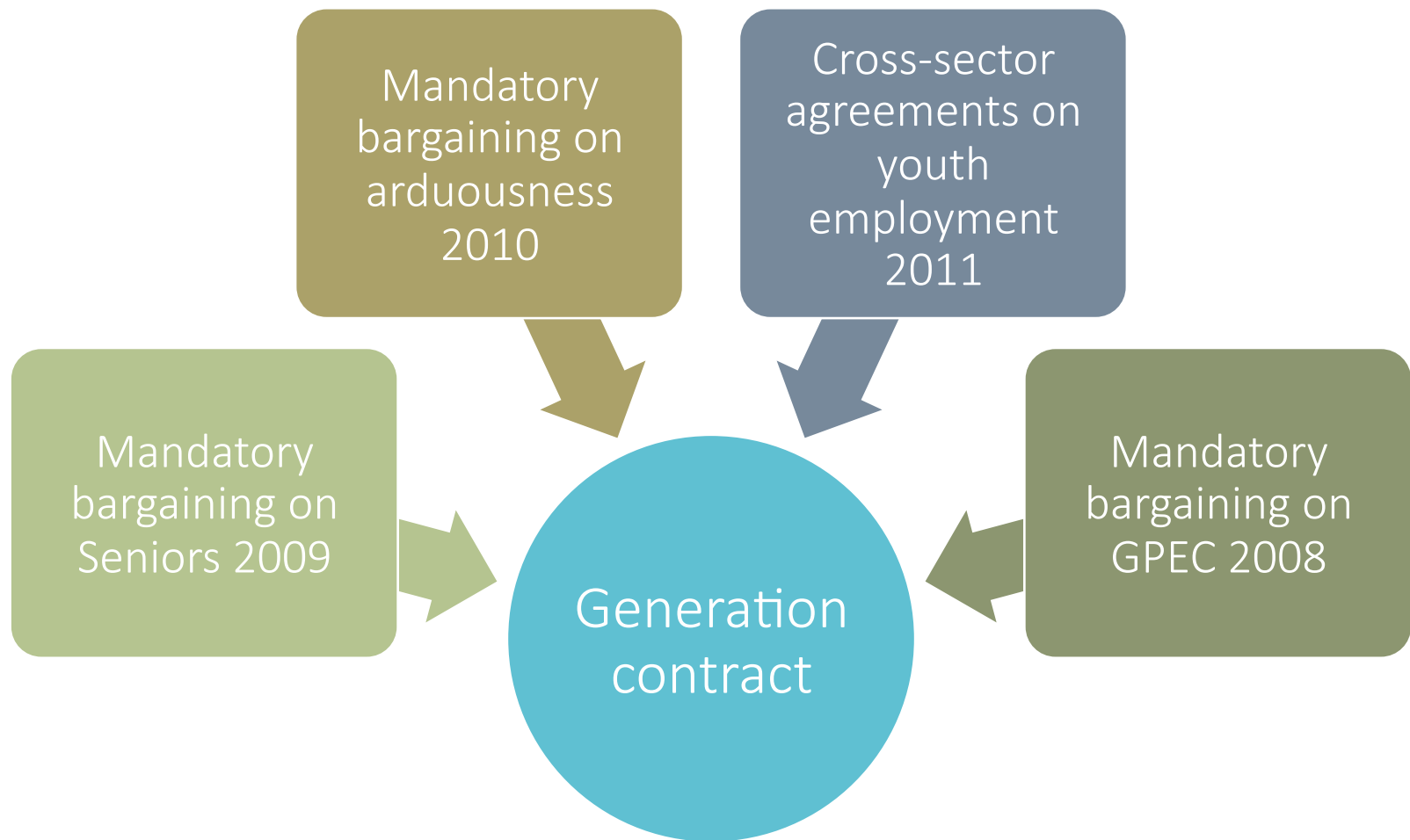
3. Nov 2010 :

- Incentive to negotiate by 2012 on measures or programs to prevent arduous work

4. 2011 :

- 5 multi-industry agreements to promote youth employment (mentoring, training, allowances for accommodation...)

Genesis Generation contract (GC)



Generation contract (CG)

Three objectives:

- increasing both older and younger workers' participation rate,
- maintaining the current workforce for three years,
- facilitating skills transfer by arranging the two jobs as a binomial.

Two devices :

- A contract signed with the Labour administration called 'generation convention': less than 300-employee SMEs receive a yearly €2,000 grant for each job when hiring a youth with a permanent contract, while maintaining a senior on the job for three years.
- Bargaining agreements or unilateral action plans to simultaneously promote young people's integration being mentored by more experienced workers, thereby keeping the latter's employment.
 - ✓ Labour administration has to validate that agreements or the unilateral action plan comply with the defined criteria.
 - ✓ Financial penalties – 1% of payroll – for more than 300-employee firms failing to launch the negotiation process.
 - ✓ Sector level agreements can cover 50-300-employee SMEs but they have to make a diagnosis of their demographic situation
 - ✓ Annual review

The age thresholds are 57 for maintaining seniors in employment, 55 for recruiting older workers, and less than 26 for recruiting a youth.

Less than 50	From 50 to 299	300 or more
No obligations	Diagnoses Age pyramid, skills, projected retirements, hiring, strenuous work of older employees	Diagnoses Age pyramid, skills, projected retirements, hiring, strenuous work of older employees
No obligations	Company agreement or action plan or coverage by industry-wide agreement (bargaining is no longer compulsory since march 2014)	Agreement or action program: objectives in terms of the number of permanent contract recruitment for younger employees and older employees, recruitment or retention; arduousness assessment; actions for skills transmission.
State subsidies starting January 1st, 2013: young worker: €2000; older worker: €2000 for 3 years	State subsidies granted to each employee in young/old binomial: €2000; young worker: € 2000; older worker for 3 years: €2000	If no program or agreement, 1% of wage bill penalty, no state subsidies
Suspension of subsidies if redundancies or older employees' contracts are broken (6 months after young worker's arrival)	Suspension of subsidies if redundancies or older employees' contracts are broken (6 months after young worker's arrival)	Annual review

Review of Generation contract devices

1. Regarding generation convention, mitigated quantitative results in terms of employment:

- 30,000 conventions signed, far from the yearly 100,000 direct assistance conventions to SMEs.
- Direct assistance was more successful in SMEs less than 50 employees as they could get subsidies without entering the process of bargaining an agreement

2. Regarding generation agreements, limited effects on collective bargaining:

- Bargaining process in less than 12% of the 86,000 targeted businesses
- Mainly in more than 300 employees company
- 3,700 agreements and 3,600 unilateral action plan at the end of February 2014
- 20 major sectors signed an agreement: around 50% employees are covered by an industry-wide GC agreement
- Much less successful than the senior bargaining round after one year

Methodology

A study at the three levels of bargaining

1. Cross-industry bargaining process; moving towards becoming a law
2. Industry-wide agreement: Metal Industry (steel, car industry, aerospace, electrical equipment manufacturing, computer manufacturing...)
 - ✓ 1.4 million employees
 - ✓ An intense social dialogue: a social laboratory (employers' federation is a powerful actor in the national employers' organization)
 - ✓ decline in youth recruitment is an urgent issue
3. Company level bargaining:
 - ✓ A big, more than 1000-employee metal Industry company to study the link between sector and company level bargaining process
 - ✓ a 50-300 employee company where a GC agreement was signed

From cross industry agreement to law

	ANI	Law
Age brackets	Yes. Less than 26-year olds and over 55-year old seniors.	No, but under 26-year olds and 57 year olds are to benefit from public support.
Inter-generational concept	Yes: bargaining or intergenerational action plan at company or sector levels	No
Integration of young applicants	Objectives must be quantified, number of permanent contracts, integration methods in compliance with the 2011 ANI	Objectives must be quantified, number of permanent contracts, Reception training program, mentor.
Hiring and job retention	Objectives must be quantified. Three in seven 2011 ANI predefined steps to improve working conditions and reduce arduousness.	Objectives must be quantified. Two in five actions. Outside work and arduousness conditions.
Skill transfers	Youth/Senior transfer tandems provided in 2011 ANI	Mandatory clause with no content.
Implementation	Sector- or company-level agreements. Failing that: company action plans.	Collective agreements or action plans, diagnosis. Time-table; assessment; follow-up.

From cross industry agreement to law

Substantial differences between cross-industry agreement and the law

- An intergenerational target is much sought-after in the cross national agreement, especially through skills transfer
- A mainly employment target in the law :
 - ✓ the term “intergenerational” is only mentioned in the decrees but not in the text voted
 - ✓ Skills transfer proved to be a secondary issue

Metal industry

1. A decline in jobs since the 2000s :

- A decrease in young employees total number
- An increasing proportion of over 50-year old employees (more than in other sectors)

2. The Intergenerational issue is urgent

- Mainly through early retirement for 55-64 year old, negotiated at company level (no more state-funded devices): exit age: 58 (Extra-contractual severance pay to wait for retirement age)
- Rebalanced age pyramid: departure of older employees and recruitment of younger ones are joint shared objectives.

3. Bargaining procedures :

- Packages where all mandatory bargaining can be dealt with
- Independent agenda where negotiators include mandatory clauses in their own issues: quasi-permanent bargaining rounds in joint technical groups (GTP)
- Few binding regulations at sector level but methodologies to accompany negotiations at company level.

Metal industry: a rather unambitious generation contract agreement

- Refers to diagnosis established in September 2012 by the joint prospective institution (Observatory) for failed arduousness negotiation
- Continues the targets established in the July 2011 agreement on vocational training.
- Youth recruitment objectives for rebalancing the age pyramid (15% open-ended contracts for (-26) ; 27% permanent jobs for (-30)
- The objective of 40.000 youths under 30 in training contracts will fail to be reached
- Limited objectives on recruitments and maintaining aged employees
 - ✓ in continuity with senior (2009) and arduousness (2012) bargaining rounds (11% permanent recruitments; part of +58 increase from 4.5 to 6%)
 - ✓ increase in training for 45-year old;
 - ✓ measures for improving working conditions...
- Methodological support by the joint Observatory for including mentoring and knowledge transmission in company level negotiations
- Promoting GPEC at SMEs level

CG in a big metal industry company

Toron :

- 1100 employees
- Included in an american group
- Electrical construction : electrical and cables design and production
- After the 2008 crisis, 100 job cuts with no redundancies and re-organization of production (flexibility and internal mobility)
- Round the clock three shift work difficult to accept for young workers
- A difficult social dialogue partly due to union divisions, an old fashioned management style and tensions on wage bargaining

CG in a big metal industry company

- Employment as a prime concern but HR policy aim is to rebalance the age pyramid: rejuvenate the staff to the pace of retirements and activating all outgoing flows
- As there are few day posts, difficulties to maintain older employees by moving them out of 3-shift work
- Younger employees recruitment mainly based on training devices (training plan, “Toron school”...) but a lot of them drop out towards the end of training
- No debate on training provisions in works council (management field)

CG in a big metal industry company

- Mandatory bargaining on GC is included in annual mandatory rounds that often fail and are changed into unilateral action programs
- Debate on age pyramid and tools for employment management
- A shared diagnostic but bargaining failed to overcome antagonisms and labour division
- Works council rejected the agreement, so it was presented to labour administration as an action program
- No targets for seniors (already 20% +55 in the workforce)
- Targets for youth employment match the current and usual flow (36 in 3 years, more than in the metal industry agreement)

GC in 50-300 employees company

M. is a company included in Technical service companies for creation and event sector

- A sector with a steadily growing workforce and a high turnover rate: increasing use of fixed terms contracts (casual staff hired for one event)
- 83 permanent employees, 200 casual workers
 - 36 under 26
 - 1/3 over 45
 - 11% over 55
- A formal social dialogue: the CGT's representative was dismissed; the CFDT's was the only one left, and he joined CFTC
- An associate devoted to HR and involved in joint committee at sector level

GC in 50-300 employees company

- Proximity to Culture and Labour Departments fostered signing the agreement
- The company agreement explicitly leans on the sector senior agreement
- ‘work and study’ training is the most significant intergenerational device
- High mobilization of diagnosis on employment or arduousness

Concluding elements: is GC contract bargaining a failure?

1. The negotiation of the generation contract was not very successful

- Only the major sectors have mobilized and even then most of them signed rather un-ambitious agreements
- Company-level agreements, not numerous, have essentially been signed in large firms
 - ✓ Built upon existing agreements on closely related issues (seniors, arduousness, learning and apprenticeship...)
 - ✓ Leaning on an HR department

Concluding elements: is GC contract bargaining a failure?

2. Failure due to a bundle of causes:

- The deterioration of the economic situation [makes it difficult for companies to take commitments over three years]
- A bargaining process made meaningless:
 - ✓ A law leaving little leeway to bargaining partners
 - ✓ Too many successive layers of mandatory bargaining
 - ✓ Skills transfers were granted too little importance

What lessons can be drawn to improve intergenerational bargaining

- GC is only one topic in an intergenerational bargaining program that also includes training, arduousness, seniors...
- GC bargaining has kept the push to have a debate between social actors at company level on intergenerational topics.
- Joint institutions at sector level have an important methodological role (diagnoses...)
- For SMEs, bargaining relies on sector level bargaining on intergenerational topics

What lessons can be drawn to improve intergenerational bargaining

1. Developing social partners' autonomy and a multi-dimensional bargaining process
2. Strengthening the diverse forms of articulation between sector and company level bargaining
 - Important cognitive instruments and methodologies for company level bargaining produced by sector level joint bodies
3. Promoting mentoring as a collective bargaining issue at company level to formalize skills transfers
 - There is not one form of mentoring but mentoring forms must suit organized labour
 - Bargaining on a status recognition mechanism for mentors
 - Including mentoring in a company level round of collective bargaining on training



Thank you