

Joint European Level Social Partners'
Work-Programme 2006 – 2008

Joint Study on Restructuring in the “EU15”
Phase one

France

Summary note of the meeting that took place in
Paris on 21st and 22nd November 2007

ARITAKE-WILD

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Introduction

The national seminar in the first phase of the joint European level social partners' project, “Joint study on restructuring in the EU15” took place in Paris, France on the 21st and 22nd November 2007. It was attended by the French social partners, European social partners and experts – an attendance list is attached as appendix one.

Maria Helena Andre and Jørgen Rønneft opened the meeting explaining the background to the new project in the context of the 2006 – 2008 social partners work programme and the work already undertaken by the European level social partners on restructuring in the 10 New Member States; capacity building for employers' organisations and trade unions for participation the European Social Dialogue in the New Member States and Candidate Countries; and the employers' and trade union resource centres. They explained that the current phase of the project would facilitate a review of restructuring that looked beyond “job losses” and stressed the importance of good and open debate in helping assure a high quality contribution to the overall project from France.

France national dossier – section one

The project expert for France, Mr Goran Hultin, presented the first section of the French National Dossier – “A macroeconomic review of restructuring in France” (slides attached as appendix two). At the end of the presentation he left the French social partners with the following questions;

1. French Human Development Index (HDI) is high – similar level as the USA - but GDP per capita is only about the EU 15 average. How do you explain that quality of life and standards of living do not progress at the same pace in France?
2. Although French students show an above average interest in science and technology, the lack of investment in R&D makes it difficult to seize the benefits of this comparative advantage. How can France build more on its strengths and improve its competitiveness?
3. In terms of hourly productivity, France outperforms every OECD country with the exception of Norway. But when considering other factors, such as working hours, unemployment and labour costs, France ranks behind its main competitors. What does it tell about the French labour market?
4. Why are French people concerned with relocations when it only affects 4% of the jobs lost?

Following the presentation the points summarised below were made by those present to further explain the context in which the report had been drafted, to add new information and, to help shape conclusions in order to contribute to the content of the final national dossier:

- ✧ Over the past 15 to 20 years, France has protected low-qualified jobs through reduced social contributions, which explains that France has lost fewer jobs than others due to relocations but at the same time means that France has tended to disconnect from high value added sectors. The consequence has been less job loss but a lower productivity level;
- ✧ Concerning the labour market rigidities, French social partners have not tackled it for 20 years but are dealing with it in their current discussions;
- ✧ A specific feature of the French labour market is that it only includes one generation at the time and therefore makes it hard for younger and older workers to join or remain on the labour market;
- ✧ Although they agreed with the main findings of the country dossier, the French social partners called for a careful use of indicators and international comparisons as they often do not reveal the truth - e.g. contrary to World Bank indicators working time flexibility is quite high in France, and/or they are not in line with a global market, e.g. OECD indicators. They also called for indicators better adapted to SMEs' reality.

The French national dossier – section two

Goran Hultin presented the second part of the French dossier “The role of the social partners in restructuring” (slides attached as appendix three). He left the participants with the following questions:

1. How to promote French companies' adaptation capacity and competitiveness on a global market?
2. What are the specific obstacles faced by SMEs as part of the global competition?
3. How to minimise the effects of restructuring on workers?

Following the presentation, and in similar fashion to the discussion of section one above, the points summarised below were made by the seminar participants:

- ✧ Recent legal developments (dating from February 2007) having recognised social dialogue as an autonomous source of law – besides social legislation – were welcomed. The dominant position of legislation and the lack of mutual trust between the social partners have been the main obstacles to the emergence of a culture of dialogue in France. Overall, the poor conditions of social dialogue in France are contributing to disappointing economic performances.
- ✧ SMEs are particularly dependant on the local economy. They are confronted with a lack of financial and human resources. Entrepreneurs have limited time to combine the daily management tasks and the necessity to anticipate when small enterprises often rely very intensively on the know-how and work of one person.

- ✧ Social dialogue and legislation are primarily developed according to the needs of large companies and therefore do not respond to SMEs' realities. Due to a lack of resources, SMEs have difficulties to attract talent. Social dialogue and training are essential to improve SMEs' access to competences.
- ✧ SMEs who are subcontractors of large companies are often in a dependent position, for example when having to cope with long payment delays. In addition, because the link between the parties is mainly economic and not social, some believed that subcontracting is an obstacle to the anticipation and management of change.
- ✧ In France, social dialogue is mainly developed at company level and it exists at cross-industry and sectoral levels. Some argued that more needed to be done at the territorial level. Others believed that creating a new level of bargaining in a complex legal and social environment would be counterproductive.
- ✧ In the case of restructuring, companies are subject to very heavy and complex procedures but employers and employees sometimes find joint solutions to overcome them. Collective procedures are mandatory, which means that individual agreements are not enough. There is nevertheless a trend towards greater flexibility at the individual level, notably through the development in the last three years of "method agreements", which enable to jointly define ad hoc information and consultation procedures. Voluntary departures are encouraged but subject to the agreement of companies in order to help them in preserving the employees that they need.
- ✧ Dealing with restructuring in a more effective way for companies and employees is a central aspect of ongoing flexicurity discussions.

Joint EU social partners work relevant to restructuring

Representatives from the European social partners presented their recent work in the area of restructuring focusing on their activities relating to lifelong learning; orientations for change; European Works Council best practice; and the restructuring studies (slides attached as appendix four).

Case studies

The case studies presented (La Poste, Video/Rioglas and Kodak) are described in full in the final version of the national dossier.

Summary discussion

Following the presentations, discussion and case studies, the European level social partners made the following broad observations;

- ✧ Maria Helena Andre (ETUC) welcomed the country dossier, although some information was still missing, notably with regards to the composition of the French labour market. Discussions showed that the challenges facing France are similar to those facing other European countries. Social legislation is highly developed in France and whereas social dialogue is historically conflictual, the new law on social dialogue – adopted in February 2007 – is a new impetus, which reflects the way in which the European social dialogue is organised. European social partners can also learn from France notably in the field of education and training.

- ✧ Liliane Volozinskis (UEAPME) welcomed a positive climate for change in France. The SMEs issue is particularly well understood in France but no real solutions have been found yet. More is needed in the dossier on the anticipation of change notably with regard to the recent law on sectoral observatories regarding competences.
- ✧ Jørgen Rønne (BUSINESSEUROPE) stressed the importance of considering national historical elements as the starting point of any discussions on how to manage change. But learning from others' experiences can also be very helpful to move forward. Solutions outside the scope of legislation are a very positive development for companies but are equally surrounded by a certain degree of uncertainty regarding the rules of the game, which may require longer decision making processes than otherwise needed.

At the end of the meeting, the social partners were thanked for participation in the meeting and for their positive engagement in the process.

APPENDICES

1. Attendance list for the seminar;
2. "A macroeconomic review of restructuring in France" - Expert presentation;
3. "The role of the social partners in restructuring" - Expert presentation;
4. "Joint EU social partners work relevant to restructuring" - presentation by the European level social partners;

**PROGRAMME DU SEMINAIRE SUR LES RESTRUCTURATIONS EN FRANCE
21 & 22 NOVEMBRE 2007**

**Lieu : Mouvement des Entreprises de France - MEDEF
55, avenue Bosquet
F - 75330 Paris Cedex 07**

PREMIER JOUR

1400 - 1430	➤ Introduction	Coordinateur du projet
	➤ Objectifs du séminaire	Partenaires sociaux européens (BUSINESSEUROPE pour les employeurs, CES pour les syndicats)
1430 - 1515	Analyse macroéconomiques des restructurations en France: <ul style="list-style-type: none"> ➤ Principales statistiques économiques; ➤ Principales statistiques sociales; ➤ Caractéristiques principales des restructurations de 1995 à nos jours; ➤ Perspectives futures des restructurations dans l'économie; ➤ Le cadre légal en matière de restructurations. 	Présentation par l'expert de la première section du rapport national
1515 - 1600	Discussion	Discussion factuelle – présidée par le coordinateur du projet
1600 - 1615 Pause		
1615 - 1700	Fonctionnement du dialogue social et des relations sociales : Revue du rôle des partenaires sociaux au niveau national, sectoriel et d'entreprise dans les restructurations. La présentation visera à identifier les principaux thèmes sur lesquels portent les activités des partenaires sociaux en France dans le domaine des restructurations.	Présentation par l'expert de la deuxième section du rapport national
1700 - 1745	Discussion	Discussion factuelle – présidée par le coordinateur du projet
1745 - 1800	Résumé des discussions du premier jour, suggestion de pistes de réflexion et rappel du programme du deuxième jour	Coordinateur du projet

DEUXIEME JOUR

0915 - 0930	Introduction du programme du second jour	Coordinateur du projet
0930 - 1015 1015-1100	Présentation du premier cas d'étude inclus dans la troisième section du rapport national Discussion	Présentation par les partenaires sociaux impliqués dans le cas d'étude puis séance questions-réponses
1100 - 1115 Pause		
1115 - 1200 1200 -1245	Présentation du second cas d'étude inclus dans la troisième section du rapport national Discussion	Présentation par les partenaires sociaux impliqués dans le cas d'étude puis séance questions-réponses.
1245-1400 Pause déjeuner		
1400 - 1445 1445 -1530	Présentation du troisième cas d'étude inclus dans la troisième section du rapport national Discussion	Présentation par les partenaires sociaux impliqués dans le cas d'étude puis séance questions-réponses.
1530 - 1600 1600 - 1630	Présentation des travaux conjoints des partenaires sociaux européens dans le domaine des restructurations Discussion	Partenaires sociaux européens
1630 - 1700	Discussion de synthèse – identification des caractéristiques de l'implication des partenaires sociaux français en matière de restructurations aux niveaux macro et micro	Tour de table et discussion présidés par le coordinateur du projet
1700-1730	Interventions finales et clôture du séminaire	Coordinateur du projet et partenaires sociaux européens