



# EMPLOYERS SEMINAR : COLLECTIVE BARGAINING AND COMPETITIVENESS

## The labor law reform in France

## Overview of the labour law reform

---

- **Overall approach : change of philosophy in government approach**
  - **Introducing more flexibility and predictability**
  - **Giving precedence to SMEs**
- **The reform is built on several measures aiming at :**
  - **Simplifying labour law rules**
  - **Enhancing legal security for business and employees**
  - **Strengthening social dialogue at company level**
- **As regard collective bargaining, 2 main changes :**
  - **Negotiation in small companies is facilitated**
  - **Negotiation at enterprise level is encouraged with more possibilities to derogate to the sector level**



## Negotiation in small companies is facilitated

---

### Increase the possibilities for companies to enter into collective agreement when there is no union delegate appointed within the company

- **In companies employing less than 11 employees and in companies employing between 11 and 20 employees without employee representatives**

Employer can organize employees' consultation (company wide agreement approved by referendum at least 2/3rds of employees)

- **In companies employing between 11 and 49 employees without union delegate**

Possibility to ask union for specific appointment or to negotiate with Social and Economic Council (SEC)



# Primacy of company level agreement is reinforced

Up to  
now

It was not possible to derogate to sector level agreement with a company level agreement, unless it was more favourable to the employees or dealt with a limited range of topics (i.e : worktime)

NOW

Encouraging the conclusion of company level agreement

In 13 areas (e.g. minimum pay, job classifications, equality in the workplace...) the provisions of the **sector-level agreement will prevail** over a company-level agreement unless the company-level agreement contains equivalent or better benefits

A sector-level agreement can provide expressly that it will prevail over a company-level agreement, on 4 matters ex : disabled workers, union designation rules, premium for dangerous work/ professional risks

In all other areas, a **company-level agreement may derogate** from a sector-level agreement, in full or in part, whether it was entered into force before or after the sector-level agreement



## Implementation of the reform

---

- **We are at the beginning of the implementation process**
- **Explain the new rules : Our role now consists of explaining widely the changes**
  - **Develop practical tools to help companies**
- **Ensure the necessary ownership : Our responsibility consists of seizing the opportunities, restore confidence and thus create jobs**



# Reforming collective bargaining systems to improve or maintain competitiveness

*How does the sectoral level can help companies to negotiate ?*



## Some figures about FNTP

- About **8000** company members
- 90% being SME's (less than **51 employees**), 1% being large companies/groups (**500 employees** and more)
- 235 000 employees
- 60% being workers, 40% being employees/foremen and executives



## Collective agreements in Public works layout

**3** collective agreements (one by category) **applied by all public works companies** (extension mechanism)

→ **Not less than 10 articles/agreement dealing with employment, worktime sick leaves and dismissal**

**20+** collective agreements dealing with specific topics (equality between men and women, social protection, worktime...)

→ **Some agreements enable companies not to negotiate and prevail them from being fined**



## Why was FNTP deeply in favor of labor law reform ?

- **2 main reasons :**
  - **Sectoral level** = has negotiated too many rules, rules are sometimes difficult for companies to comply with (*ex : travel allowances*)
  - **Company level** = the best level for negotiating on a wide range of topics (worktime, teleworking/home-office, working conditions...)

### What does FNTP develop to facilitate negotiation within company ?

- FNTP is developing a range of services helping companies to negotiate:
  - **face-to-face information** day + up to date information notes on the federation website
  - experiment on a few companies a **binome** with both ex-HRD and union delegate
  - develop a **range of collective agreements forms** aiming at helping companies improve their organization (worktime, supplementary hours)
  - Provide companies with advises **on how to negotiate given their size**

### **What is planned to continue the sectoral level negotiation and why is it important ?**

- Some companies won't negotiate : not used to, no will and/or no possibility to give real counterparts
- Sectoral level = safety net
- Wages negotiation every year (at national and regional level) set a common standard
- Need to improve our attractiveness → collective agreement will be discussed in October

**Our future = strengthen the service offering and chose appropriate topics of negotiation for sectoral level**



**REFORMING COLLECTIVE BARGAINING SYSTEMS TO  
IMPROVE OR MAINTAIN COMPETITIVENESS**

Rome, 17 & 18 September 2018

The case of the metal industry

# THE CASE OF THE FRENCH METAL INDUSTRY

**42 000** companies of which 91 % have less than 50 employees

**1,5** million employees of which 92 % with an open-end contract

**404** billions of € of turnover

of which **5 %** dedicated to R&D

of which **45 %** export-oriented

**91 %** of companies employ less than 50 employees

**110 000** recruitments per year until 2025

# THE CASE OF THE FRENCH METAL INDUSTRY

**Since 2016, renegotiation of our full collective agreements system:**

- ❑ One national CA (for higher staff « cadres »)**
- ❑ Many national agreements (employment, equal treatment between M/W, working time etc.)**
- ❑ 76 local collective agreements**
  - ➔ 1200 pages !**

**Long process: 9 topics, one bargaining round every second week**

**Context: latest reforms !**

# THE CASE OF THE FRENCH METAL INDUSTRY

## 1. Relation between law and collective bargaining

- ❑ This is one of our main call !
- ❑ Recent interesting evolution with greater role given to collective bargaining (vs. law)
- ❑ but still limited to certain topics : mainly working time & employee representatives
- ❑ though some of which are exclusively the responsibility of the sector: “mission contract” for example
- ❑ To sum up: in the metal sector, CA is a framework for companies & it provides a tool-box

# THE CASE OF THE FRENCH METAL INDUSTRY

## 2. Relation between sectoral collective agreement & company agreement

- ❑ sectoral CA sets a general framework but company can adapt with its own company agreement (with some exceptions)
- ❑ Metal sector is very supportive of this concept (not the case in all sectors)
- ❑ Key for competitiveness of companies – contrary to the historical principle of sector agreements which regulate the economic conditions of companies in one sector – but necessary for internationally oriented industries



# THE CASE OF THE FRENCH METAL INDUSTRY

## 3. Relation between the collective agreement and the employment contract

- ❑ Real competitiveness = when the collective agreement supersedes the employment contract = “accord de performance collective” (i.e. “competitiveness agreement”)
- ❑ Metal industry: we have investigated the idea since long (Poclain -1<sup>st</sup> company agreement of the kind)
- ❑ Today: huge possibilities on many topics (remuneration, WT, mobility ... ) which are competitiveness elements...
- ❑ It will take time – French culture needs to change : negotiations of agreements even in good times