



Attractive workplace for all: a contribution to the Lisbon strategy at company level

National report for France

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Bibliography

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Lisbon strategy at national level

Government and public authorities

French public authorities are reasonably aware of the Lisbon strategy. The previous and current French governments support the revised strategy. In October 2004, the French government produced a series of proposals aiming at keeping a good balance between the main orientations of the strategy: economic growth, employment and social cohesion as well as environmental issues. These proposals comply with the current general orientations of the strategy. The 2005 National Reform Programme presented by the government is thus entitled: “For a social growth”. Apart from the government, several French national authorities recently produced works regarding the implementation of the strategy (see references)

Social partners

Generally speaking, one cannot say that trade unions and employers’ organisations are explicitly focused on Lisbon strategy. The concept is rather included in the general European topic. Therefore, it is more the EU as a whole which is a matter for social partners and not particularly the Lisbon strategy. Nevertheless, *MEDEF*, the main employers’ organisation, supports officially the Lisbon strategy and is especially focused to support the Single European Market, economic growth and innovation. *CGPME*, an employers’ organisation representing SMEs, above all supports the European Charter of SMEs and proposed in December 2005 to consider this charter as the main tool to implement Lisbon strategy at the SMEs level.

Trade unions are rather focused on the development of a ‘social Europe’. The issue was in particular sensitive in 2005, during the campaign related to the European Constitution. Trade union confederations are aware of the Lisbon strategy and especially support the general objective of promoting full employment in Europe as illustrated in the joint declaration from of the French social partners *CFDT*, *CGT*, *CFTC* and *UNSA* of 1 October 2003. Quality of jobs is also an important issue for French trade unions. However, the Lisbon strategy is not perceived as a real concept in itself, although trade unions (with different views according of the various confederations) have strong views on the national policies relevant to Lisbon orientations. It’s also significant to notice that the social dimension of the Lisbon strategy is sometimes presented as a tool to act on the national level.

General public

Lisbon strategy remains a rather unknown concept to the general public. All French reports about the strategy state that it is mainly known to specialists. It’s probably linked to the rather low degree of public awareness concerning ‘Europe’ in France. In that extent, it’s important to note that France has still not designated a national coordinator to implement the Agenda. Therefore, apart from official publications, only researchers explicitly refer to the Lisbon strategy as a concept (see references).

Policies and programmes

In France, there is no general programme which is explicitly dedicated to the Lisbon strategy. However, the National Reform Programme 2005 presented numerous actions in line with the different objectives of the Strategy. This programme addresses four key issues to achieve a economic and social growth:

- Promotion of employment,
- Improvement of companies’ competitiveness,
- Promotion of innovation and research,
- Retrenchment of public expenses in order to avoid excessive budgetary deficit.

The issue of active ageing has received particular attention by government and social partners. An intersectoral collective agreement which focused on the issue of ageing workers was signed on 9 March 2006 by three trade union confederations (*CFDT*, *CGC* and *CFTC*). Following this agreement, the government presented a national action plan for ageing workers on 6 June 2006. This programme especially aims to implement measures included in the intersectoral collective agreement. The most significant provision was the implementation of a new form of fixed term contract for workers aged 57+. The general objective is to increase the employment rate of workers in the age group 55 to 64 years to 50% by 2010.

Processes between the key actors

The composition of National Action Plans (NAP) for employment affiliated the social partners in a specific body named “*Comité du dialogue social pour les questions européennes et internationales*”. This body especially enables social partners, through working groups, to contribute to the composition and implementation of the NAP by providing analysis or examples of good practices which are included in the plans.

However, social partners generally regret that the composition of the first national reform programme did not offer them sufficient participation, especially since they only had a short period to express their view. Therefore they request that the process be reviewed and improved as regards the composition and implementation of the National Reform Programmes over the next years. The process should target more the social partners, Parliament and other representatives of citizens (associations), thanks to large public debates.

Apart from the specific issue of National Reform programmes, the significance of social dialogue in terms of employment and work regulation has considerably increased over the past several years. A law that entered into force in 2004 endorsed the rules of collective bargaining significantly at all levels in France. In particular, it plans to derogate to a certain extent the power of sectoral collective agreements in favour of collective agreements on the company level. Moreover, a recent report (May 2006) requested by the Prime Minister, proposed further reforms in order to enhance the decisive role of collective bargaining in France

In this new context, social partners have played an active role in promoting reforms in conjunction with some of the key aspects of the Lisbon strategy, especially through several cross-industry agreements: ageing workers, equality between men and women and life-long-learning.

Impact and outcomes

A report from the French *Economic and Social Council* (2005) reflects the French situation considering the Lisbon targets and based on the 2003 national statistical data. Regarding employment, it states that France is lagging behind the objectives: the female employment rate was 57.2% in 2003; the employment rate of older workers was 36.8 % and the total employment rate was 63.2%.

Beyond these quantitative results, it seems very difficult and according to some researchers even impossible regarding the existing assessment methods, to identify changes in the member states as a result of the open method of coordination. Also, the French Economic and Social Council regrets that the French National Reform Program (for 2005) does not clearly mention the link between the measures presented and the integrated guidelines. This is also cited in the Joint Employment Report 2005–2006. However, it is obvious that several national measures can contribute to the achievement of Lisbon’s objectives. For that matter, the European Commission states that the “French National Reform Programme identifies and responds to many of the main challenges facing France”. According to the Commission, France should nevertheless strengthen integrated employment strategies, regarding the segmentation of the labour market, flexibility of workers and businesses and the employment of older workers.

National and company-level policies: case studies

Orientation 1: Fostering employability

Lifelong learning has become a main issue in the French public debate for several years. Generally speaking, major political parties as well as trade unions and employers' organisations are aware that measures have to be implemented in order to make transitions from one employment to another easier. Of course, the training of unemployed people plays a significant role in this matter (see below).

Regarding life long learning, a very significant reform followed the Law on "life long learning and social dialogue" which came into force 4 May 2004. This act took up the measure from a intersectoral agreement by the French Social partners from 20 September 2003. The objective of the reform is to foster workers' training and their employability. It is perceived as a very good example of the co-operation between government and social partners. The law has created the following new tools:

- An individual right to training: Each worker is now entitled to benefit from training 20 hours per year. This entitlement to training days can be accumulated for up to six years. The training should usually be carried out off-the-job but collective agreements at the sectoral or company level can stipulate training units during working time. If the training is carried out off-the-job, the employer is obliged to pay a financial compensation to the worker (50% of the worker's wage). The employee has a right to claim training in case of dismissal. These rights are, to a certain extent, transferable from one company to another.
- In addition, the law allows for some groups of workers, especially those whose skills and competences lag behind technological changes, to acquire new skills by means of training. These trainings are named "*périodes de professionnalisation*".

Social dialogue plays a significant role in the implementation of this law. Several aspects of the newly created tools need to be defined especially by sectoral collective agreements. More generally, social partners at sectoral level have at least to negotiate every three years the objectives, priorities and means to ensure workers' training. On 1 April 2005, 102 sectoral agreements had been signed. Two trade unions confederations, *CFDT* and *CFTC*, are in particular involved and signed 89% of these ones.

Because of the individual right to training, the social partners and the French parliament aimed to enhance the workers' responsibility for his/her own employability. The legal creation of the so-called 'certification of acquired experience' (*validation des acquis de l'expérience*, also named VAE) , which came into force 17 January 2002 is related to the same objective. Through VAE, everyone can obtain a diploma or certificate based on his vocational experience and skills. Even if the reform is too recent to assess its effects, one can assume it should foster voluntary occupational mobility. However, the VAE is an individual process and it's often difficult for workers to comply with the conditions planned without external support.

Orientation 2: Increasing labour market participation of underrepresented groups

Women

Gender equality at the workplace

Although the female employment rate is still lower than male employment rate, it is important to note that the gap has lessened constantly since 1990. Moreover, public financial support that is aimed to stimulate women to obtain jobs in the non-market sector through atypical employment contracts, foster female employment.

Apart from these general remarks, a lot of measures have been adopted for several years to promote equality between men and women. A law related to equality at the workplace from 9 May 2001 has created an obligation for social partners to enter negotiations about equality between men and women at the sectoral and company level. This obligation also encompasses the gender dimension related to wages, working time and working organisation. In 2004, a charter for equality summarized the commitments of all the actors to promote equality between men and women. It also planned the creation of an Equality Label by the Ministry of social cohesion and parity to distinguish companies promoting equality at the workplace. The label has been launched in 2005. Peugeot Citroen was the first company to be rewarded for its initiatives in this issue. A framework agreement, finalised in 2005 between National Employment Agency and Ministry of social cohesion and parity, aims to strengthen the measures to fight against female unemployment and to increase their participation in the labour market. These instruments are related to both private and public sector.

Social partners concluded a national intersectoral agreement on 1 March 2004 regarding diversity and gender equality at the workplace. This agreement clearly shows the awareness of social partners regarding equality between men and women. The law of 23 March 2006 related to equal pay between men and women is widely based on this agreement. The law aims to reduce gaps between men's and women's wages. The law stipulates a significant role to social partners. For instance, compulsory wage negotiations at the company level are obliged to implement measures to remove wage gaps before 31 December 2010.

Reconciliation of work and family life

Several measures aim to allow the reconciliation between work and family life. This concern is, for the French government, linked to the quality of employment. Some of these measures are incentives to reintegrate women into the labour market. For instance, since 2001, people that coevally care for children and re-enter the labour market receive a specific benefit (named *allocation parentale d'éducation*) which can be accumulated to their wage. Other measures attempt to enhance a more equal task allocation between men and women regarding child care, by introducing parental leave for men in 2002. Another issue is the improvement of childcare facilities: companies can benefit from tax incentives since 2004, when they create on-site nurseries. Generally speaking the government wants to expand public childcare facilities. The most recent law from 23 March 2006 aims to neutralise the negative effects resulting from parental, adoption and maternity leaves based on training, collective agreements and enhanced involvement of works councils in this issue.

Young workers

In France, policies to increase labour market participation of young workers have been implemented for more than twenty years and are a concern for both public authorities and social partners. When speaking of young people, the age bracket of workers aged 16 to 26 is meant. Most of these measures focus atypical labour contracts for young people to fight youth unemployment. Some of these contracts are focused on young workers facing specific difficulties to enter labour market (see orientation 3).

Apart from atypical employment contracts, the most recent measures regarding young workers are subject to two different employment contracts that combine training and work experience:

- The "*contrat de professionnalisation*" is a result of an intersectoral agreement concluded by social partners in December 2003 and refers to vocational training. A law on lifelong learning followed which came into force 4 May 2004. This atypical employment contract is focused on young people from 16 to 26. The employer commits him/herself to provide the worker with employment and training leading to a diploma. The training is carried out by the employer or an external training body. The young worker is legally an 'employee'. The employer benefits from financial public support;

- Apprenticeship: Since 2004, the government wants to strengthen apprenticeships. A law on social cohesion (entered into force 18 January 2005) has especially amended the regulatory framework of the apprenticeship system to make it more attractive for companies and young people. The government's aim is to achieve 500,000 apprenticeships by 2009. In 2005 380,000 young people have been in apprenticeships. 80 % of young people having obtained an apprenticeship found a job afterwards. The law of 31 March 2006 for equal opportunities has offered apprenticeships, under some specific conditions, to young people from the age of 14 years instead of the previous age qualification of 16. This action raised a lot of debates in the country. Social partners are also involved in raising apprenticeship placements. A charter of apprenticeship was drawn up in June 2005 by Schneider Electric and a think tank named "*Institut de l'Entreprise*". This charter is focused on large companies and plans several commitments in order to increase the involvement of companies into the apprenticeship system. It is promoted by the Schneider Electric chairman and is supported by the French government. In April 2006, 1,000 companies had already signed the charter. In addition, a national framework agreement for apprenticeship development was signed on 19 March 2005 between the government, the chambers of commerce and several sectoral employers' organisations.

French government also proposed two other kinds of instruments to foster young people's employment. Both of them caused intense public debates and protests from all the trade unions confederations. The first one was finally dismissed after several public action days. It resulted in a new form of employment contract focused on the employment of people under 26 years old. It was a new type of open end employment contract, which allowed a much longer probation period of two years than before. During this probation period, the employer would have retained the right to dismiss the employee without having to state any reason. The second proposal has entered force in 2005. According to this new provision, workers under 26 years old are not calculated in the headcount of the company. It means that many provisions from the Labour Code couldn't be applied to some companies, especially those related to worker's representation which are based on headcount thresholds. Trade Unions have made an appeal against this measure. European Court of Justice is expected to pronounce a judgement on this issue shortly.

Orientation 3: Integration into the labour market of people at risk of exclusion

Early school leavers

The previously described measures regarding the combination of training and work experience also take into account the specific situation of young workers encountering difficulties to access to the labour market. Generally speaking, policies focusing on specific categories of workers (young people, people at risk of exclusion) have decreased since the end of the 1990's. But this trend does not concern young people and there are several atypical labour contracts enhancing the labour market participation of young people. One of these measures targets people aged 16 to 25 years with a low qualification level (less than A-levels). This contract, named "*contrat jeune en entreprise*" is an open end contract planning full or part time work. The employer benefits from a public financial support system (400 euros per month from 15 June 2006 for a full time contract). The young employee has the right to resign from the contract without in order to conclude an apprenticeship contract for example. Some forms of employment contracts in French law can only be concluded by employers in the non business sector. They actually target young workers but can be applied more generally to all people encountering specific difficulties to enter the labour market. This is for example the case in the so-called "*contrat d'avenir*" and of the "*contrat d'accompagnement dans l'emploi*". Both have been created in 2005. Moreover, there are instruments to support the integration of young people into the labour market. The "*contrat d'insertion dans la vie sociale*" is an example for this and encompassed the conclusion of an agreement between the state and young people aged 16 to 25 years with a low qualification level or who are subject to long term unemployment. This particular contract contains different actions, e.g. support during job search, proposals of training or employment. In general, the effects of the contracts vary, depending on specific contract type. For instance, workers with atypical contracts in the business sector have better chances to pass into permanent employment, than those employed in the non business sector.

Long-term unemployed

In May 2006, 31.9% of all unemployed people were long-term unemployed.

Two main aspects have to be highlighted. Firstly, the national public employment service has been thoroughly reformed in order to enhance its efficiency, especially regarding long term unemployed people. In 1998, the National Employment Agency set up a personalised support particularly for long-term unemployed, including support to find a job, access to training and social support if necessary. In addition, the law for social cohesion plans the creation of 300 job houses in order to manage both unemployment benefits and support job seekers. The law also removes the former monopoly of the National Employment Agency and allows private companies to participate in the public employment service. Secondly, atypical employment contracts are often focused on long-term unemployed. This is especially the case of the “*Contrat Initiative Emploi*” in the business sector and the “*contrat d’accompagnement dans l’emploi*” in the non business sector. These contracts entitle employers to receive a financial public support.

Disabled persons

In March 2002, the unemployment rate for disabled people acknowledged by public authorities was 17% compared to the average unemployment rate of 9%. The main innovation on this issue is based on the law from 11 February 2005 regarding equal rights and opportunities for disabled persons. Through numerous measures, this law aims to reduce unemployment for disabled people to enhance integration into the labour market and to maintain employment for disabled workers. The law forces companies to adapt workplaces and increases the amount of tax to be paid in case of non-compliance with the legal employment rate of disabled workers (6% of the workforce) Since February 2006, the government has carried out a national information campaign aiming to involve all actors in the law’s implementation.

Orientation 4: Make work pay – make work attractive

Different measures are implemented in France in order to make work financially more attractive. Some of them are directly linked to the government’s will to make work attractive This is the case of the subsidy for employment (“*prime pour l’emploi*”), created in 2001, which aims to reduce the gap between payments for professional activity and social incomes in order to incentivise persons to participate in the labour market. In addition, long-term unemployed and persons that benefit from basic income support and receive a subsidy of 1,000 Euros when they re-enter the labour market since 2005.

Regarding wages themselves, the government tried in 2005 to foster collective bargaining at sectoral level. The National Commission of Collective Bargaining analysed the situation in the different sectors regarding wage negotiations and a specific national follow up on these issues has been decided. This assessment of collective bargaining agreements in 2005 shows that wages became again the main issue of negotiations between social partners at sectoral and company level.

Moreover, financial participation to companies’ profits is currently being reformed. A bill is being discussed by the Parliament and has already raised intense debates between the government and trade unions. The planned key measure aim at the following:

- Fostering distribution by companies of shares to employees, especially by means of tax incentives;
- Encouraging employees to invest in the different forms of employee savings plans existing in French Law;
- Encouraging the financial participation to companies’ profits in SMEs with a headcount of less than 50 workers.

Orientation 5: Towards a balanced flexibility

Flexible working time arrangements

The public debate on working time has been very intense in France since the law on the reduction of working time to 35 hours has entered force in 2000. Since 2002, several reforms, promoted by the current and previous governments, allow workers to “work more whether they want it” (PNR 2005). A law of 17 January 2003 has extended the possibilities for employers to use overtime for up to 180 hours per year and per employee while reducing the cost overtime use. Following that, a law from 4 May 2004 has allowed collective agreements on the company level to stipulate a quota of overtime as well as the payment rate for overtime. Finally, after consulting the social partners, a law from 31 March 2005 has facilitated the use of saving time accounts, in particular by allowing employees to alternate saved time saved into additional wages to a certain extent (defined by a collective agreement concluded at company level). This law has also increased once again the legal quota of overtime and allows workers, under conditions defined by a collective agreement, to work overtime beyond the quota in force in the company.

Non permanent employment contracts

The opportunities to use fixed-term and temporary work agency contracts has been extended since the creation of these kinds of employment contracts in French law. According to a study published in April 2005 by the Ministry of Employment, the number of atypical employment contracts has increased from 1982 to 2002: in 2002 5% of all employees aged 15 to 64 years old had a fixed term contract and about 2% held a temporary work agency contract. As already mentioned above, the implementation of a specific fixed term contract for older workers is being discussed. In addition, a wide public debate, based on several public reports, has been raised since 2004. It aims to create a unique form of an open-end employment contract, while reforming laws related to redundancy. This proposal is supposed to foster flexibility and the creation of jobs. Eventually the debate led to the composition of a new form of employment contract in August 2005, named “*contrat nouvelles embauches*”. This open-end employment contract is only eligible for companies with less than 20 employees. It allows a much longer probation period of two years than before. During this probation period, the employer is entitled to dismiss the employee without stating any reason. All the trade unions protested against this measure. Nonetheless, 440.000 workers have been subject to this type of contract between August 2005 and March 2006.

Orientation 6: Business creation and entrepreneurship

A wide range of measures have been implemented for several years in order to foster business creation in France. One of the key issues aims at simplifying the rules concerning business creation, in particular the tax system as well as the formalities that have to be carried out in the course of business creation.

Another topic is the promotion of cooperations between public research and companies, by establishing of clusters at local level since 2004.

In addition, a law which is based on an economic initiative came into force 1 August 2003 promotes the creation of one million companies within five years. This law encompasses all aspects of business creation and also aims at facilitating transfer of existing companies. A very interesting measure, which is induced by this law, is the composition of a new kind of contract named “*Contrat d’appui au projet d’entreprise*”. This contract targets and agreement between an individual willing to establish his/her own business and a company or an association. According to the provisions of the contract, the company will provide to the entrepreneur with support for a limited period for up to three years. This support encompassed for example advisory functions regarding technical, material and juridical matters to the individual. Thus, it is possible to test a business project beforehand and to learn step-by-step how to manage a company. Also The individual benefits from the social security law covering all employees, providing him/ her hence with some (income-related) security. The law has also allows part time work in order to establish a business.

Moreover, a law that entered force 2 August 2005 aims specifically to support SMEs (creation, transfer, etc.).

Business creations in France increased from 2002 to 2004: 294,000 companies were created in 2003 and 320,000 in 2004. In 2003, women created 87,000 companies.

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