France’s industrial relations system has traditionally been pluralist, with extensive government intervention. The trade union movement has become splintered, with low membership, but is still able to exert power through non-traditional means, in particular its ability to mobilise more than just its members and to force social and political demands and issues into the public arena, giving the unions legitimacy beyond the sphere of collective bargaining.

The unions’ ability to take action appears diminished, however, after a period of 20 years or so in which there has been a succession of confrontations with the authorities about government reforms. While they have won some of these battles, they have lost most of them. It may be suggested, however, that this ongoing social tension stems partly from the flow of economic liberal reforms, even though they have made less progress in France than in other countries. There has been no dramatic sea change in France, either in 2008–2009, before it or since: there has been no Agenda 2010 or involvement of the Troika, at least not until the time of writing (2018). However, since the mid-1980s neoliberal policies have gradually been implemented, step by step, even though a number of welfare safety nets have been retained. The end of Hollande’s term and the beginning of the Macron presidency have witnessed an acceleration: the public authorities have toughened their intervention in the transformation of industrial relations so as to strengthen the employers’ role.

The ability of the trade unions to react appears to be running out of steam. Instead of clashing with them, between 2012 and 2016 the Hollande government tried to involve them – or at least some of them – in shaping social policies. The internal splits within the union movement have widened, and the Confédération Générale du Travail’s (CGT or General Confederation of Labour) attempts to oppose the policies that have been introduced have shown how much the balance of power has shifted. The first year of Emmanuel Macron’s government has experienced a policy of ‘fait accompli’ in favour of the well-off and employers, accompanied by a willingness to bypass the unions. The trade union movement seemed paralysed by its own divisions and by the weakening of the rank and file, although this did not prevent a certain social mobilisation.

The 2008–2009 crisis did not in fact play a significant part in this slow process of decline in union power, except that it triggered increasing unemployment and inequality, with all their knock-on effects on the conditions for collective action.
In this chapter, we shall review various aspects of the unions’ ability to operate. We will look first (Section 2) at changes in French capitalism, or at least some that have affected the unions, followed by the reshaping of the conditions for collective bargaining (Section 3). We will then examine (Section 4) the period 2008–2009, before reviewing (Section 5) the causes of and stages in the weakening of the trade union movement. Finally, we will discuss the prospects (Section 6) for trade unionism, given the situation in France.

2. Changes in French capitalism

Far from reducing government action, neoliberalism entails more state intervention to ensure the rule of ‘the market’. In France, government intervention is part of a long tradition of a strong state presence in both the economic and social fields. The role of the public authorities changed, however, from the 1980s and 1990s, when French capitalism underwent a huge transformation. Here are just a few aspects that have directly affected the unions’ power to take action.

De-industrialisation or financialisation?

The French economy has undergone a number of transformations that have led to talk of the country’s ‘de-industrialisation’. French industry in the strict sense saw its share in GDP decline from 18 per cent in 2000 to 12.5 per cent in 2011, while its share in employment fell from 26 per cent in 1980 to 12.6 per cent in 2011. The share of French exports in Europe also fell from 12.7 to 9.3 per cent between 2000 and 2011 (Gallois report 2012). These findings are disputed because the dividing line between industry and services is difficult to define. Many sectors such as energy and telecommunications are classified as market services even though they rely on the provision of large-scale physical infrastructure, and industry supplies a certain quantity of services with its products. In addition, ‘market services’ have been boosted by a massive trend towards outsourcing by industrial groups, as well as by the use of temporary work, which now accounts for around 8 per cent of industrial employment.1 All in all, between jobs in the industrial sector and those in industry-related services, more than 40 per cent of workers in the market sector actually work in or for industry (Colletis 2013: 21). The fact remains, however, that industry’s share in GDP has fallen considerably, whereas the financial sector’s share in GDP in the broad sense grew from 30.7 per cent in 2000 to 34.1 per cent in 2010 (Sauviat and Serfati 2013).

These developments are due to a number of factors, but in particular the restructuring and financialisation of large CAC 40 companies, which have shifted their centre of gravity towards the international market.

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1. Temporary work is classified among services, whereas most temporary contracts are in industry. The ‘services’ sector now has more workers than industry in the strict sense. Outsourcing and temporary contracts accounted for a quarter of industrial job losses over the period 1980–2007 (Demmous 2011).
During the 1990s many of these large groups underwent mergers and acquisitions, often alongside total or partial privatisation of public groups. Most of their turnover and investments are now outside the country (Sauviat and Serfati 2013). Job relocations have been part of this process (although they have still affected 10 per cent of the industrial workforce). Most of this outward turn takes the form of foreign direct investment (FDI), focusing on production in the host country in order to acquire market share there or to export from it. In 2009 France was in second place behind the United States in terms of FDI and although the added value of French industry is half that of Germany, French FDI has been 2.6 times greater than that of German groups.\(^2\)

Relying on their presence in other countries, these large companies seek to drive down domestic labour costs, keeping a stranglehold on their own workers and often forcing their sub-contractors to relocate in order to bring costs down.

Their strategy is more financial than industrial; it is more important to them to pay large dividends to their shareholders than to become more competitive: at the height of the crisis (2009), they paid out 60 per cent of their profits in the form of dividends or share buybacks, while their investments, particularly in research and development (R&D) declined.\(^3\) Establishing the ‘power of finance’ was more important than coordinating productive activity (Coriat 2008).

These changes went hand in hand with a decline in government initiatives across the productive board (privatisations, reduction of public services) and a weakening of the unions’ structural power. Their means of bringing pressure to bear, linked to their presence in certain strategic sectors, were bypassed or considerably reduced by these two developments. We will look later at the reforms introduced in large companies where the unions had particularly important strategic resources (transport, energy and so on).

**Competitiveness: a debate cut short**

The debate about the competitiveness of French industry is not new. Competitiveness has been the subject of a considerable number of reports since the 1980s, highlighting its multidimensional nature. A (new) report on the state of industry commissioned by the prime minister in 2012 identifies four structural causes of France’s industrial decline: a series of handicaps arising from inadequate research, innovation and training; investment not sufficiently targeted on industry; and two important factors for the trade union movement: the lack of structure and solidarity in the industrial fabric, and poor industrial relations in companies (Gallois report 2012). In the main, these are factors that were clearly identified some time ago (Sauviat and Serfati 2013).


\(^3\) Dividends paid to shareholders by CAC 40 companies were as follows: 57.2 billion euros in 2007, 54.2 billion euros in 2008, 35.5 billion euros in 2009, 35.4 billion euros in 2010, 40 billion euros in 2011, 40.9 billion euros in 2012, 42 billion euros in 2013 and 56 billion euros in 2014 (various press sources). R&D spending as a percentage of dividends was 25 per cent in 2008 compared with 35 per cent in 1995 and 43.8 per cent in 1992 (Husson 2012).
Despite all these reports, the public debate has focused on the cost of labour, which is presented as the main cause of the country’s industrial decline. Despite a major campaign organised by the CGT on the ‘cost of capital’, the measures taken by the government still tend to be steered by the employers’ organisations or aligned think-tanks. The guaranteed minimum growth wage (SMIC) and social security contributions have been labelled ‘handicaps to competitiveness’: a number of attempts to undermine the minimum growth wage (by having a minimum wage for young people, for instance) have been foiled hitherto, but the pressure on social security contributions has produced results. For the past twenty years low-skilled labour costs have fallen steadily: in 2004, a first package of measures reduced social security contributions between the minimum growth wage (zero contribution) and wages up to 1.6 times the minimum growth wage (costing 27 billion euros); companies’ labour costs were further reduced in 2012 by the introduction of a ‘competitiveness and employment tax credit’ (crédit d’impôt pour la compétitivité et l’emploi or CICE, costing 11 billion euros), and again in 2015 by a responsibility and solidarity pact increasing total tax exemptions to 30 billion euros, equivalent to 1.5 per cent of GDP.4 The CICE could at any time be turned into a permanent reduction of employers’ contributions.

The focus on cutting labour costs makes it possible to duck a number of questions: first, how effective such reductions are for employment, which many studies have disputed; and second, the impact of other factors of competitiveness. The European Commission itself says that more than 60 per cent of the differences in performance between countries cannot be explained by price competitiveness (European Commission 2010). Other factors tend to be ignored, such as lack of investment, poor innovation, research delays and the reliance on debt leveraging as groups become financialised; the debate also shuns a more systemic approach to competitiveness, looking at inter-business relations or relations between businesses and a banking system focusing more on speculation and not enough on stimulating the productive fabric (particularly through support for SMEs). The relationship between main contractors and sub-contractors in France is one of vassalage, in which large companies constantly outsource to their sub-contractors in order to boost flexibility (Perraudin et al. 2014).

Lastly, the argument highlighted in the Gallois report on the state of industrial relations in companies is nothing new. Many economists have already pinpointed this factor as a handicap for the competitiveness of French businesses (Philippon 2007). A report on collective bargaining delivered to the prime minister in October 2015 again mentions the complete lack of trust between the actors involved in collective bargaining in France (Combrexelle 2015).

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4. On 1 January 2016, the gross monthly minimum growth wage received by a worker on a 35-hour week was 1,467 euros. The worker paid 339 euros in social security contributions, giving a net wage of 1,128 euros. With the reductions agreed by successive governments since 2004, the cost to the employer was 1,574 euros, including 107 euros in social security contributions (6.8 per cent).
3. **Dynamics of collective bargaining**

Traditionally, trade unions and employers’ organisations have tended not to reach agreement on their own initiative, and collective bargaining in France takes place as a statutory requirement. Collective agreements were covered by three laws (1919, 1936, 1950) before they came into effect at the end of the 1950s, which was extremely late. In reality, trade unions and employers’ organisations have always turned to the government and put pressure on it to arbitrate in their favour. For three decades after the Second World War the government was also central to the country’s economic reconstruction, in charge of much of the investment that was going on, and nationalising banks and insurance companies, energy, transport infrastructure and part of the industrial sector. Orders placed by the major public contractors (directorates-general for transport, energy, telecommunications, armaments and so on) helped to develop essential industries, with knock-on effects on many smaller SMEs. The Commissariat général du Plan (National Planning Commission) was a forum for discussing the country’s chief requirements and which sectors needed to be stimulated in order to meet those needs.

At that point the unions were stakeholders in the discussions and were even able to forge alliances around the Plan with modernisers among senior civil servants and some employers. This type of regulation began to decline in the 1970s before disappearing altogether in the 1980s.

The 1950 law institutionalised branch-level collective bargaining and also a statutory minimum wage indexed to the minimum subsistence level. As a result of the general strike in 1968 the SMIG (minimum guaranteed interprofessional wage) was transformed into the SMIC or ‘minimum growth wage’, indexed to wage growth among skilled workers, but also able to be ‘nudged up’ by a government decision if it wanted to stimulate demand, for example. At that point wages were set – and the minimum growth wage still plays this role today – through the twin public devices of the minimum growth wage and the extension of collective agreements. The unions thus possessed considerable institutional capacity through the extension of collective agreements, which guaranteed all workers greater rights – particularly in terms of wages – and political clout through the pressure on the government to increase the minimum wage. The balance of power with employers has changed considerably since the 1990s, but so has government policy, which is intent on reducing the wage bill for businesses.

Figures published every year by the Ministry of Labour paint a picture of a country heavily engaged in collective bargaining, at enterprise, sectoral and national level. The question remains whether all this is helping to produce social compromises, which is far from certain.

**The long-term decline in sectoral bargaining**

In the period after May 1968 a number of national agreements were reached between employers and unions, sometimes resulting in the adoption of new legislation benefiting workers: monthly pay for production workers, supplementary social protection,
vocational training and job security. This method of pre-legislation bargaining subsequently tailed off and few national agreements were concluded between the early 1980s and late 1990s. Between 1998 and 2002 the employers were behind seven national agreements promotoing ‘social refoundation’, which MEDEF (Mouvement des entreprises de France, French employers’ federation) wanted in order to combat the left-wing government policy of the time. The practice stopped in 2002, before restarting in spectacular fashion from 2007. Since then numerous national inter-occupational agreements have been signed, resulting in the production of a huge quantity of labour market legislation. But these agreements have given a framework to a gradual weakening of rules and job protection won over past decades. These inter-occupational agreements seem to play a secondary role under the presidency of Emmanuel Macron.

Until the 1980s sectoral bargaining accounted for most collective bargaining. In France it has two features: first, it results in fairly automatic extension by the Ministry of Labour, and second, it is the employers’ organisations alone that determine how far a sector extends (Le Crom and Maggi-Germain 2011). The rate of workers’ coverage by collective agreements is more than 90 per cent and remains unaffected by the huge reduction in union affiliation in the 1980s and 1990s. It therefore seems appropriate to look at this indicator and the content of these sectoral agreements, because although the coverage rate may not have changed, that does not mean that what is negotiated has remained the same.

In 2011 there were around 460 ‘active’ occupational sectors, some of them involving a few thousand or in some cases a few hundred workers (Combrexelle 2013). The 75 largest agreements alone cover almost 80 per cent of workers. A stated aim for a number of years has been to reduce the number of sectors to a hundred or so, by merging existing sectors (Combrexelle 2015). But the problem is not just quantitative, because the development of occupational sectors indicates for the most part that they have become significantly less meaningful between the 1980s and the 2000s (Jobert 2003; Poisson 2009).

Their role varies when it comes to wage determination. For a quarter of private sector workers, wages are determined in relation to those negotiated in the sector, but for the others this is no longer the case (Castel et al. 2013). In some sectors, company-level bargaining has clearly taken over, while in others this is less obvious (Meurs and Skalli 1997). In the latter, the low minimum sectoral wages are used by employers to keep their wage levels very low. Many of these sectors have minimum levels below the minimum growth wage: businesses in these sectors (such as commerce, the largest occupational sector, with over 600,000 workers) use compensatory bonuses to meet their statutory obligation. Most of the bargaining is then merely about redefining the minimum wage for the sector after publication of the annual decree increasing the minimum growth wage.
Businesses win out

Even before the legal changes of 2016 and 2017, the development of company bargaining had contributed more than any other factor to the changes in collective bargaining and explains why sectors have become more ineffective.

Although generally unimportant until the 1980s, company bargaining has expanded rapidly in several stages. As a result of the Auroux laws (1982) mandatory annual negotiations with workers were introduced in companies with more than 20 workers. For the new left-wing government this was all about giving the unions greater power in companies. Company bargaining made slow progress in the 1990s, then took off in 1999 when, with the first legislation on the 35-hour week, the number of companies involved rocketed. After the 35-hour week period, the number of company agreements fell before beginning a steady increase from 2005 (see Figure 1).

More issues were added to those that have to be negotiated in companies: the 35 hour week in the years 1999–2001, professional equality between men and women and save-as-you-earn schemes (profit-sharing, sharing in the benefits of growth), jobs for disabled workers and jobs for older workers. Companies with more than 300 workers have other three-yearly requirements. A law of 18 August 2015 provides for the rationalisation of the imposing schedule of negotiations required by these obligations every year.5

Figure 1  Company bargaining, France, 1983–2016 (number of annual agreements, 1,000)

Source: Dares, Ministry of Labour.

5. Company agreements not involving the unions are also on the rise: in 2014, some 31,000 agreements were signed by shop stewards, 5,600 by staff representatives where there were no shop stewards and 11,400 agreements were ratified by staff referendum. The latter mainly concerned save-as-you-earn schemes.
Company bargaining covers just under 7 million workers in the private sector (out of some 17 million). Because they are weak and divided, the unions have not been able to coordinate this move towards decentralisation. At best, they are currently managing to handle links between establishments within the same company, but in most cases this is made difficult by the fact that union configurations often differ between establishments.

In addition to this lack of coordination, the development of company bargaining has gradually changed the scope of sectoral bargaining. Previously, having union representatives in large companies, which tend to dominate sectors, meant that standards were pushed up, but such companies have gradually made sure that sectoral standards are now kept to minimum levels in order to give themselves the scope that they need for their own company policies. Consequently, 10 million workers who have no negotiations in their companies now have no more than minimum standards.

Despite the large number of agreements reported, company bargaining is actually far from commonplace. In fact, only 10 per cent of eligible companies sign agreements. The existence of negotiations does not necessarily lead to a peaceful climate, because one-third of all negotiations end without agreement. In many cases, union delegates who negotiate without reaching agreement are penalised in their own pay packets (slower career progression, moved to lower-paid posts and so on) (Bréda 2016). Even official reports comment on the weak content of company bargaining (Combrexelle 2015).

Sea change in 2016 and 2017

Two laws in 2016 and 2017 inflicted a major destabilisation of the industrial relations system. We highlight two important topics: first, companies can gradually produce their own rules, then they can freely negotiate with anyone, not just union delegates.

In 1982, the Auroux laws already provided the possibility of contravening the rules on working time, but in accordance with limited procedures that were gradually extended by law in May 2004 and August 2008. The labour law imposed by Manuel Valls’ government in 2016 introduced a new legal interconnection between sector and companies that practically entailed the end of the exemption: the company agreement became the rule and sectoral ones could be used if there was no company agreement. Limited to working time in 2016, the scope of intervention was extended by the orders adopted in December 2017 after the election of Emmanuel Macron as president in May 2017. However, the sectoral level retains its predominance in some domains: professional classifications, vocational training and some parts of supplementary health insurance. Professional equality between men and women is also regulated at sectoral level.

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6. Public services (5.2 million workers) have different rules, but there have been numerous instances of local bargaining in regional and local government and public hospitals.
The other change brought in by the two laws of 2016 and 2017 was to gradually allow companies to negotiate without unions: a law of 1996 established the right of the employer to negotiate with a worker mandated by a representative union. This procedure was used very much during the negotiations on the 35-hour working week between 1999 and 2002. The Rebsamen law (August 2015) extended the possibility to negotiate with the elected representative of the works council or a staff representative, mandated by a union in both cases. The 2017 order enlarged this possibility: on one hand, in SMEs, where there are practically no unions, the employer can submit an agreement to his employees by referendum; in companies with over 50 employees, he will be able to negotiate with an elected member of the Conseil social et économique (CSE or Social and economic Council) who does not have to have been mandated. This new Council is the result of the merger of three existing institutions: the works council (CE), the staff representative (DP) and the former Comité hygiene et sécurité-conditions de travail (CHS-CT, Health and Safety Committee). In all types of company, if an agreement has not been signed by the majority unions, the employer can also organise a referendum.

These two laws entail a major change in the Labour Code, giving strengthened prescriptive power to companies and reinforcing the ascendancy of the employers over agreements. The sectors will fill a few voids and provide minimal rules in cases where there is no company agreement. Furthermore, appealing to a referendum or direct negotiation with non-unionised workers has the effect of expanding employer discretion (Baccaro and Howell 2017: 17).

Within thirty years the centre of gravity of the collective bargaining system has thus shifted radically towards the company, with sectoral bargaining shrinking to minimal levels.


The 2008–2009 crisis did not produce an economic collapse in France. The measures taken at the time protected the interests of the financial system, but there was no widespread reduction in social rights or massive rise in poverty. The subsequent government debt crisis had less to do with the economic crisis and more to do with the lost tax revenue that had accumulated in previous years because of the tax breaks given to the most wealthy (Assemblée Nationale 2010). It was acknowledged at the very start of the crisis that the scale of social transfers in France had limited any dramatic drop in demand from households, which would have made imbalances even worse. Industrial decline, as already mentioned, dated from well before and had nothing to do with the crisis.

This period also saw the return of a centralised form of ‘social dialogue’ involving trade unions in discussions on government policy in the employment field. There was thus no question of any sea change, either in 2007–2008 or even in 2010.
Crisis centred on employment and government debt

The 2008–2009 crisis had little impact on the banking system, which was less exposed than those of other countries to American subprime mortgages and was, above all, sheltered from the outset by government guarantees. There was no collapse in consumption or investment: GDP fell by 0.1 per cent in 2008 and 3.1 per cent in 2009 before starting to grow again the following year, returning to pre-crisis levels within two years (Figure 2). Large companies resorted to short-time working less than in Germany, but 23,000 crisis agreements were signed with the unions. In particular, they made full use of external flexibility, with a considerable reduction in temporary work and fixed-term contracts (Jany-Catrice and Lallement 2010).

This relative stability is generally ascribed to social transfers, which acted as shock-absorbers, and to the (then) fairly high savings ratio of French households, which therefore also had lower levels of debt than in other European countries. These factors helped to maintain a certain level of demand from households; the scale of public investment was also a smoothing factor, while the private sector reacted very quickly to the economic slow-down.

The rapid return of GDP to pre-crisis levels was followed by a long period of economic stagnation, still ongoing in 2016. Unemployment has continued to rise steadily well beyond 2009 (Figure 3): the number of long-term unemployed has doubled, showing how hard it is to find work after the age of 50.

The structure of paid employment shows that indefinite contracts have remained fairly stable, accounting for just under 87 per cent of total employment. Fixed-term contracts have remained stable at 13 per cent, but the trend is towards more precarious employment (COE 2014). Precarious and part-time employment involve over 50 per cent of young people aged 15–24 in work and also 30 per cent of production workers.

Sources: INSEE, Macrobonds, Ires.
Although France is one of the countries least affected by precarious employment overall, it does tend to be very much focused on certain categories in the world of work.

Figure 3  **Harmonised unemployment rate, France**

![Harmonised unemployment rate, France](image)

Sources: Eurostat, Macrobonds, Ires.

Women are the main category affected by changes in the labour market. Part-time work involves 18 per cent of workers but 6.9 per cent of men and 30.2 per cent of women (Insee 2012), while their average pay is still 19.2 per cent lower than men’s (Pinel and Wilner 2014). They are also affected by pension reforms, in particular the longer period of activity required for a full pension and the introduction of severe pension penalties.

Since 2012, the Hollande governments have doggedly pursued a policy of restricting public spending both for central and local government. Public procurement fell by 22 per cent between 2012 and 2015, which has thrown certain sectors (construction, business equipment) into economic difficulties (Le Monde, 23 February 2016). Although businesses have received major financial transfers, investment in France has remained weak and economic activity is not creating jobs or helping with government debt, which has only just begun to level off.

Mainstream (neoclassical) economists explain the sluggish growth and employment situation by what they call a ‘French preference’ for unemployment. They highlight wage increases, which grew by 2 per cent on average, both before and after the crisis. This rate has subsequently slowed (after 2011), but is rooted in two factors: first, (unlike in Germany) there is no disconnect between wage trends in industry and services – particularly thanks to having the minimum growth wage as a safety net – but above all the growth in the average wage increase is due mainly to the continual changes in the composition of the working population. Job losses tend to affect those on low wages and in precarious employment, which automatically increases the average wage: the Banque de France estimates that the 2 per cent increase in wages after 2008 is entirely due to
structural changes in the working population (Verdugo 2013, cited in Husson 2015; Pinel and Wilner 2014). Correcting for this structural effect, Figure 4 shows the average net wage trend since 2001.

Figure 4  Average net wage, France, 2004–2012

Civil service salaries did not change between 2010 and 2016; during the crisis, 27 per cent of private sector establishments said that they applied wage restraints between 2008 and 2010 and 13 per cent applied a wage freeze or reduced wages (Pérez et al. 2015). In reality, although household demand remained buoyant during the crisis, this was mainly thanks to the minimum growth wage and came at the cost of higher debt. The level of household debt7 grew from 59.5 per cent in 2005 to 85.5 per cent in 2015, by which date one million households were over-indebted (Banque de France 2015).

The return of social dialogue, a new ‘crisis corporatism’?

We mentioned this paradox earlier: whereas information exchange procedures, social pacts and other methods of centralised consultation/negotiation seem to have been in decline in the rest of Europe between 2010 and 2015, France saw a proliferation – even frenzy – of national interprofessional agreements. Might this suggest that there has been ‘crisis corporatism’, as was mentioned when other settlements were reached in Europe between 2008 and 2009?

7. The ratio of household debt to disposable income.
As already pointed out, there has been a long history of national interprofessional agreements, but they fell out of favour between 2000 and 2007 apart from in the sphere governed by what is known in France as the 'parity principle'.

A law adopted in 2007 requires the government to hold dialogue on certain reforms related to individual and collective labour relations before putting them before Parliament. It was applied in 2008 and 2009, was rather neglected in 2010 at the time of the pension reforms and then took off again in the final months of the Sarkozy presidency. In 2012, François Hollande turned this requirement to advantage by involving the unions in the preparation and implementation of his employment policies at social conferences, large staged events at that were widely covered by the media. Three social conferences were held between 2012 and 2015. They resulted in a number of national interprofessional agreements that led to legislation promoting social democracy and reforming the Labour Code.

However, this Law has not really weakened the government’s overriding power: trade union leaders heard about the Responsibility Pact in January 2014 only when it was announced on the radio. One year later negotiations on ‘social dialogue’ failed to reach agreement and the government unilaterally introduced a law (17 August 2015) which was unfavourable to union rights in companies. At the same time, the Minister for the Economy imposed a law containing numerous provisions affecting labour rules (extension of Sunday working in particular) without any union consultation or even parliamentary debate. In January 2016, the law reforming the Labour Code and collective bargaining (El Khomri Law) was announced without complying with the 2007 legislation and adopted using the same procedure that sidelined Parliament. In December 2017, the government consulted each union separately in order to get their opinion on certain subjects but without any text or proposition and then announced its measures. All the unions have rejected the orders with regard to both their content and their form.

It is thus inaccurate to talk about French-style (neo)corporatism or ‘crisis corporatism’. All the theoretical models of political exchange require certain conditions, including two fundamentals that have never been satisfied in France: first, each actor needs to be able to ensure that its side has uniform representation, and second, they need to be independent, particularly when it comes to setting their own agenda. The situation in France is further away from this than ever: first, the trade union side is more divided than ever, and second, the independence of its components is far from guaranteed, whether in terms of material

8. The workers’ supplementary pension funds and the unemployment compensation scheme have been managed since their introduction (in 1945 and 1958, respectively) by institutions whose management boards are made up of equal numbers of employers’ and trade union representatives. This management method was extended to certain areas of social security (1967) and vocational training (1971). It is used in many other fields: industrial tribunals, the Association pour l’emploi des cadres (Employment Association for Executives and Professionals), the management of funds for the integration of the disabled, the employers’ 1 per cent housing contribution, retirement provision institutions (now social protection groups) and so on.

9. The French Constitution contains a provision (Article 49-3) allowing a law to be declared adopted unless the opposition succeeds in having a ‘censure motion’ adopted, which is equivalent to overthrowing the government. It was used three times during the adoption of the Macron Law, twice in Parliament and once in the Senate, and three times again in the adoption of the ‘labour’ law in spring and summer 2016.
independence (and particularly their dependence on public aid) or cognitive independence, with some trade union confederations expressing views more in line with those of employers (or with some social-liberal trends) than with their union ‘partners’.

In fact, social dialogue in France is still characterised, as it has always been, by the heavy hand of the state, the composer, conductor and lead singer on the social stage. Recent developments have strengthened the interconnections between ‘tripartite confrontation-cooperation’ and public policy (Freyssinet 2010) over which the government keeps control. The over-use of the term ‘social dialogue’ by all actors is a symptom of the lamentable inconsistency of political exchange in France. The unions’ role as a cohesive and integrating force now tends to be discernible more in the sphere covered by the parity principle (Hyman 2010) than in the rather pathetic performances at social conferences.

The changes in political power relations resulting from the elections in spring 2017 have clearly disabled this aspect of the unions’ functions, Emmanuel Macron explaining that the sole role of the unions is at company level. Yet the reform of the labour code reduces drastically the unions’ rights in the enterprises and more generally those of staff representatives.

5. **Trade unionism in France: a declining force**

The trade union movement in France is famous for having a large number of organisations and a small number of members. Divided by strong ideological differences, it is anything but strengthened by the collective bargaining institutions, which are weak, unstable and unsuited to compromise. Exploiting this fragmentation, the employers’ organisations tend to deal with only one union or another to avoid conceding too much, and when they have to make concessions, to obtain something in return they appeal to the government to overturn what they had to accept in the negotiations. The notion of compromise is alien to employers, who are backward-thinking in social terms and often unentrepreneurial in economic terms.

There are eight union organisations in France – of varying importance – plus a number of independent unions with little influence. The three main organisations are the CGT (General Confederation of Labour), the CFDT (French Democratic Confederation of Labour) and Force ouvrière (FO, literally: ‘Workers’ Force’): the first two account for 65–70 per cent of trade union members; FO brings the figure to 80 per cent. Then there is a small Christian confederation (CFTC, French Confederation of Christian Workers) and a sectoral organisation representing some managerial employees (the CFE-CGC, French Confederation of Management – General Confederation of Executives). Two more recent organisations, UNSA and Solidaires, describe themselves as union federations, but are not recognised as representative at an interprofessional level. Finally, the FSU (United Trade Union Federation) includes most unionised teachers.

The shifts in union power over the past thirty years can be broken down into structural, organisational and institutional powers, as well as their influence in the public arena (Dörre *et al.* 2009; Gumbrell-McCormick and Hyman 2013).
Structural power and changes in the production system

Structural power is defined as unions’ having at their disposal forces in strategic locations within the production system (primary industries, export industries and so on) or in services vital to the domestic economy (education, health, public transport). It should be added, however, that this type of power must be assessed relative to the dynamics of the production system. The massive trend towards outsourcing and subcontracting has transformed the foundations of paid employment in France over the past thirty years. While in the past those working on the production of a good or service were more or less contained within a single company, now they are stretched along a so-called ‘value chain’ involving many participants and workers from different companies, covered by different collective agreements and with every possible status (permanent contracts, fixed-term contracts, temporary or self-employed, full-time or part-time).

Production organisation in today’s capitalism is based on the principle of the separation of workers (Pech 2007). Structural power must no longer be seen solely from the point of view of presence in companies within the production system. It also requires a distribution of forces that guarantees a minimum level of cohesion between workers working on production of the same goods or services; in other words there must also be a presence on the periphery.

In France, the trade unions have a presence in main contractors but rarely or to a much lesser degree among subcontractors. Because sectors have ceased to provide guarantees, collective bargaining centred on the company has ceased to be inclusive: for example, unions in the main undertaking have no control over the possibility that costs may be passed on to subcontractors, or rather to subcontracting workers. The Airbus ‘system’, for instance, is tightly controlled around the powerful Force Ouvrière union, which is able to conclude major corporatist agreements in exchange for guaranteeing industrial peace, because tensions are passed on to subcontractors.

The main factor of structural power for the French trade unions used to be the strategic position they held in public infrastructure, and particularly the CGT in energy and the railways. Their ability to bring the country to a standstill was demonstrated at various points, particularly in 1995 and 2003, when huge strikes paralysed part of the country’s economic activity. The reforms to SNCF and EDF in the years that followed partly neutralised this power.

A number of reforms divided SNCF into separate businesses, sometimes in legal terms (separation of infrastructure management and commercial activity), and sometimes within its commercial activity (between freight and passenger transport). Today it is a group of over 650 subsidiaries attached to one holding company (SNCF Participations). Burdened with debt which the government is reluctant to relieve (36 billion euros which the government could pay off in the infrastructure section), the track part of the company

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10. SNCF, Société national des chemins de fer français (French Railways); EDF, Électricité de France (French electricity). Gaz de France (French gas), which used to be part of the group, was hived off and privatised in a merger with the Suez group in 2008.
is rushing through one reform after another, reducing its workforce as quickly as it can (−30 per cent between 1984 and 2000, −16 per cent between 2000 and 2016). Line closures are concentrating activity on profitable lines, while the SNCF group is, through its subsidiaries, opening up new road transport lines. The professional benchmarks for staff have been watered down as public service has slipped down the agenda, and the trade unions which used to uphold those benchmarks have lost a part of their influence, both within the various entities that now make up the company and in public opinion.

The last government used this disaffection on the part of users to promote a new reform of the company in view of its opening up to competition in 2020. Again, no time was spent on parliamentary discussions or in the search for compromise with the unions: a resort to decrees was announced and there were a few discussions over a few weeks. All the unions rejected both the method and the contents of the reform. A social campaign was ongoing at the end of March 2018.

EDF has also undergone transformation with a change in status in 2004 into a public limited company with part of its capital listed on the stock market. The former state-owned company was broken up into subsidiaries on the basis of its different areas of expertise: electricity production (EDF), high voltage transmission network (RTE), network for domestic and business customers (ERDF) and so on. The production section, which manages the nuclear power stations in particular, has made huge use of subcontractors, so that the company has effectively become a control centre managing the work of outsourced operators, where most staff are temporary workers or on fixed-term contracts. Although the company has kept public service duties and although it is still mainly state-owned, it is increasingly managed according to private-sector criteria and the status of staff is increasingly trivialised. This change in the reference values for which the CGT was such a standard-bearer has destabilised union representation; membership has fallen considerably and it has lost much of its ability to take action within the archipelago which France’s main energy supplier has become.

As for the strategic positioning achieved by the unions among lorry drivers, there was hardly time for this to be effective: in the dispute against the 2003 pension reforms, when the lorry drivers tried to block the roads, the police immediately headed for the blockades and withdrew many of their driving licences.11 At the end of 2017, an action against the decrees led by the lorry drivers’ unions managed to obtain a deal from the employers’ organisations to maintain a certain number of bonuses at the sectoral level instead of at company level, as advocated in the reform.

In 2010 and still on the subject of pensions, some oil refinery workers also tried blockades, which regional prefects immediately nipped in the bud by issuing orders requiring the striking workers to go back to work.

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11. Road blocks have traditionally been used by lorry drivers and had never previously been punished in this way. Until 1996, these disputes were by self-employed drivers or road haulage bosses. Since that date they have been by employees, which makes all the difference.
Organisational capacity and institutionalisation

The unions’ organisational capacity has also declined in the past two decades. The rate of union membership since the post-war period has fallen, as shown in Figure 5. Having long been put at around 8 per cent, the rate was recalculated in 2016 using new surveys conducted by INSEE (National Statistical Institute) and the Ministry of Labour. It is now considered to be 11.2 per cent and to have been stable at that level since the early 1990s (Pignoni 2016).

Figure 5  Rate of union membership, France, 1949–2013

Note: Until 1994, union membership was assessed on the basis of known or estimated union dues. From 1997 to 2006 calculations were based on a direct survey of individuals, which was used as a reference in international comparisons. The Ministry of Labour and INSEE have conducted two new surveys in the 2010s, which found that previous figures had been underestimated. The figures given here have been taken from this new calculation (Pignoni 2016).

There are two very different faces of union membership, which stands at 19.8 per cent among civil servants (central government, local and regional authorities, hospitals) and 8.7 per cent in the private and voluntary sector. The sectoral breakdown for the latter is shown in Figure 6.

It should be noted that there is no system in France linking employment with union membership (closed shop, open shop) or check-off. The provision of services is not tied to union membership and social agreements benefit all workers because collective agreements apply even where there is no union presence in the company, and there is no system by which employers can opt out (Bévort and Jobert 2011). The rate of union membership stood at over 20 per cent in the 1970s, fell by half between 1978 and 1990 and has remained at that level ever since. However, this apparent stability masks internal fluctuations, with membership ebbing away in traditional industries while new pockets are appearing in other areas, particularly services. The low membership makes the unions highly dependent on public funding, which ‘supports’ many of their activities: training, information and economic analysis and so on.
Union membership first started to decline around 1977–1978 with the first major industrial restructurings. The collapse of the steelworking industry reduced both the numerical strength and also the symbolic strength of the labour movement. In the early 1980s the arrival of the left-wing government (1981) launched a period of reforms giving the unions greater power. This reflected the momentum gathered in previous years, when the trade union movement had enrolled younger generations eager to take collective action post-1968 (Artous et al. 2008). At the time there was a competitive spirit between the CGT and the CFDT, founded on social protest and collective mobilisation.

This trend was reversed within a very short time, for economic, political and ideological reasons (Pernot 2010). In 1984, the left-wing government reversed its macroeconomic policy, disappointing the hopes of a population facing a dramatic rise in mass unemployment. The breakdown in the united front between the CGT and the CFDT and the major changes in their ideological reference systems ended up by confusing workers and eliminated recognition processes within union action altogether.
Strikes became scarce. Apart from the occasional major industrial action (1995, 2003, 2006, 2009 and 2010), conflicts tended to decline, as they did in all OECD countries. Concentrating collective bargaining at company level reduced the scale of any industrial action, which today tends to be confined within the company or even establishment. A number of conflicts became more radical in 2009, with employers unlawfully confined and workers threatening to ‘blow up the factory’. These have been recurrent events in France’s social history and concern only a few situations highlighted by the media (Béroud and Mouriaux 2001). Nevertheless, there has been a reduction in the number of strikes: in 2005, 2.7 per cent of companies with over 20 workers had a strike, but after peaking at 3.3 per cent in 2010, the rate fell back to 1.3 per cent in 2012 as well as in 2015. Other less dramatic forms of conflict have continued, however (stoppages, demonstrations, collective refusals to work overtime, work-to-rule and so on).

Although France is in second-last position among the EU countries for its rate of union membership, it is in tenth place for its rate of union presence at the workplace (Wolff 2008). In 2011, 47 per cent of establishments with 20 or more workers stated that there were union delegates present in the establishment or company. This union presence concerns 70 per cent of employees in companies with more than 20 workers (Pignoni and Raynaud 2013). However, this indicator tells us nothing about the type of presence, which may be no more than one union delegate, useful for signing agreements but otherwise irrelevant in terms of collective action.

The French system of representation within companies has two strands: representatives provided by the unions and elected representatives within institutions ‘representing the staff’ (works councils for establishments with more than 50 workers, staff representatives for those with more than 11 workers and health, safety and working conditions committees for those with more than 50 workers).

The mandatory merger of these three bodies (committees), which is part of the December 2017 Orders, undermines these institutions and may amplify a tendency already present which tends to dissolve relations between the workers and the unions. Indeed, the decline in union membership coincided with the development of compulsory annual negotiations within companies. Taking on multiple responsibilities and having to spend more and more of their time on compulsory negotiations, activists became a body of professional representatives, often at the risk of cutting themselves off from the workers. The few studies available on the content of these company negotiations show that they have become routine and just a way of complying with a legal requirement (Naboulet 2011; Béthoux et al. 2015). The 2017 reform emphasises this professionalisation of representatives.

Institutional rights give the unions the power and means to intervene in the field of occupational health or if there is a jobs crisis in the company. Often, however, these rights are too concentrated in the hands of a few specialists, and institutional over-
investment can mean that, rather than giving them greater legitimacy in the eyes of the workers, they widen the gap between representatives and represented. Locally, French workers have become used to relying on their union representatives if they have a problem, but they have little interest in making that sort of commitment, particularly as it remains at risk of reprisals from employers.

Because collective bargaining has been decentralised, trade unions in companies have often lost some of their links with the general interests of the workforce, and sometimes even their connection with their own organisation. Surveys conducted by the Ministry of Labour asked union representatives in companies about their relations with their organisation: in 2005 they admitted to having little contact with union structures outside the company (Amossé and Jacod 2008). Very often, union presence is confined to a single delegate, isolated from the organisation that is supposed to have chosen him, and sometimes totally incorporated into and barely distinguishable from the company’s own institutions. The low level of union membership is also due to a union presence that does not always give a sense of a collective identity.

Discursive resources and planning resources

There are many forums in which the trade unions are involved in social debate: the Economic, Social and Environmental Council (Conseil économique social et environnemental, CESE) and equivalent institutions in each region, for example. As well as the joint institutions mentioned earlier, they sit in an impressive number of commissions, monitoring bodies and committees requiring them to give opinions on economic or social issues.

The weight of history has a decisive influence here. From the very beginning, the CGT rejected any idea of being subordinate to political parties (the Socialist Party on that occasion). It regarded the cultivation of a political vision as part of its responsibility. That decision left its mark on all forms of trade unionism that developed after the CGT. Although, subsequently, the CGT and the Communist Party had a close relationship until the 1990s, FO and the CFDT had only intermittent relations with a Socialist Party that cared little about its relationship with the unions.

Trade unions across the spectrum consider that it is part of their responsibility to get involved in general issues affecting workers’ lives, such as housing, transport and public infrastructure of all types (health, culture, childcare, education).13 Because of their poor structural and organisational resources, the unions have had to employ numerous ideological references in order to bolster class consciousness, unite workers and engage them in campaigns that differed from one organisation to another. In the 1970s the CFDT’s support for the idea of worker self-management resulted in an ‘ideological debate’ with the CGT based on joint action in companies and sectors.

13. Even the CGT, which was for a long time an ‘offshoot of the Communist Party’, retained its own capacity to draft proposals on government policies (Dreyfus 1995).
Although the unions have scaled down their political ‘vision’ since the crisis of the 1980s, they have retained a few political resources. Thus, in 2009, after the government announced its plan to combat the crisis, eight trade unions (CGT, CFDT, FO, CFTC, CFE-CGC, UNSA, Solidaires, FSU) produced a joint document entitled ‘For an alternative policy: urgent measures to promote employment, better pay and government policies supporting economic recovery’. Although their efforts had no direct effect on the policy being pursued by the government at the time, they nevertheless brought the debate on inequality, fiscal policy, wealth distribution and so on into the public eye.

Since then, and particularly since 2012, the unions have appeared powerless to influence government policy. Their planning resources are certainly not defunct, but they are today hamstrung by their divisions on fundamental issues such as health, pensions and even competitiveness.

Their institutional resources could be catching them out. Institutions tend to reflect the balance of power at a given point in history. If the balance of power changes structurally and over a sufficiently long period, the substance of the institutions gradually alters: behind the unchanging form their ability to influence arbitration becomes weaker and the compromises reached tend to be closer and closer to the employers' positions. How should such a situation be handled? This is the question on which opinions differ most widely. The CFDT was ideologically close to President Hollande and has accepted more or less every compromise. The CGT, on the other hand, rejected them all but did not have the capacity in practice to oppose them. Its weakness means that it is no longer a key player in areas where it used to have a certain influence. It has lost the hegemony that it used to have over the union movement up until the 2000s, but none of the other unions has taken its place. The CFDT has gradually become the leading organisation because of the CGT’s decline, but is not particularly influential. There is no alternative hegemony taking up the baton and in a very splintered union landscape fragmentation dominates.

Except for a few, mainly small organisations (CFE-CGC, UNSA), the trade unions are not on an upward trend. The strategic choice common to all organisations is to stand out so as to attract new members. The path followed seems to be a stalemate; the CFDT lacks a strategy for coping when the political powers-that-be no longer need its support to adopt their reforms; the CGT hardens its position and toughens its stance when it feels itself gradually losing its grip on a situation and Force ouvrière keeps trying to strike a balance between the opposing views of the other two. The unions might have some difficulties in attracting new members if they do not reduce their differences. They will still be useful at company level but will not be social actors exerting influence on behalf of all workers.

This critical situation could change, however, in the face of danger. The rise of the Front national (National Front) and its ideology and the threat it poses now that it has entered
France’s political institutions could lead the trade union movement to close ranks, as it has done at other points in history. Seven out of eight organisations (Force ouvrière declined to be involved) signed a document in June 2015 ‘to oppose the rise of populism, the extreme right and its ideas, xenophobia, sectarianism and fundamentalism, and also to seek and demand responses to the economic and social crisis’. At the beginning of 2018, Emmanuel Macron’s drastic policies and the contempt he shows towards the unions (as well as the Parliament) may also help to bring the unions together, even spark a new political mobilisation, but it is difficult to say at present.

6. Prospets

In France, as elsewhere, there are a number of reasons why the trade union movement is finding it difficult to chart a course for the future, such as globalisation, the move to the digital age and, overall, the shift in the balance of power between capital and labour imposed by the financialisation of capitalism. In Europe, the development of a new ‘governance’, with neoliberal economic principles now institutionalised in treaties, is creating tensions on various registers, both economic and political, raising fresh questions about the relationship between capitalism and democracy.

These common factors have had different effects on the various societies making up the European Union and also on the crises occurring as the power of capital undergoes this reorganisation. They have had different effects on the trade union movements, because path dependence still tends to be the key feature of socio-economic trajectories. Political resources drawn from social democracy are redundant at present because of the political crisis faced by social democratic parties. Their inability to establish a separate identity from the neoliberals raises questions, in every country, about trade union freedom and freedom of thought and action – and for there to be that freedom, there needs to be action as well as thought.

In France the unions have retained some of their discursive ability, but today this is increasingly employed by sectoral social movements to sound warning bells about the huge inequalities caused by neoliberal policies. The unions are trapped by their own divisions, strategic deadlock and bureaucracy: their leaders are taken up with their involvement in government policy, while union representatives in companies are taken up with ‘social dialogue’ steered by the management, and the apparent abundance of social agreements masks the fact that their substance is actually fairly meagre and nothing like genuine social compromise. The lack of a coordinated strategy has made negotiations a management tool for employers and grassroots trade unionists have been left in the hands of companies, where their role is to manage ‘competitive adjustment’.

FO cites apoliticism to justify its rather lax approach to members or activists whose names appear on the political lists of the Front national, whereas all the other organisations expel them. The Front national vote among FO supporters is particularly high (33 per cent in the 2014 local elections) compared with 27–29 per cent for the other unions. These are worrying figures.
There is little talk of a union revival among French researchers, and even less within the union movement itself. But this does not mean that nothing new is happening. Experiments are taking place involving new forms of organisation: by site, by labour market region, seeking geographical challenges to widen the scope beyond conflicts confined within the company. Trade union membership in industry may be declining, but a presence has been created in commerce and retail distribution, among lorry drivers and care workers. There has been new cooperation with associations: the CGT’s campaign to regularise the position of illegal immigrants is a benchmark for this new type of mobilisation, as is the growing (and sometimes rather bumpy) cooperation with the environmental movement, such as around the protracted dispute concerning the construction of Notre Dame des Landes airport near Nantes. These experiments are still fragmented and intermittent. The CGT’s close involvement with the nuclear industry prevents it from being more open to the environmental movement or associations such as Attac. The CFDT has turned its back on all social movements and is opening up only slightly to like-minded organisations. The issue of alliances is obviously important, but this alone will not be the answer to certain strategic questions that are not being adequately addressed in the context of trade union revitalisation.

The unions’ representation of workers was built on professional foundations established in the early twentieth century, when most union movements in continental Europe started to focus on the product rather than the occupation. This way of dividing up the movement mirrored the structure of the sectoral regulation that gradually took shape, but the question now is whether these organisational divisions are still adequate for creating identity and solidarity in groups of workers. In France, the concentration of union activity and collective bargaining in the company has come at a paradoxical time when the company itself, as a place of production, is dissolving into a series of outsourced and subcontracted relationships, in addition to the fact that the internal restructuring of companies is tending to make labour less cooperative in nature. New social identities are being created with the transformation of occupations and the removal of boundaries between sectors, which the union movement is finding it difficult to cope with in its present organisation. On this point, the French unions have not changed (except marginally) the scope of their professional federations, and they remain, the CGT especially, locked into partial identities often inherited from the past.

The question of worker unity and the differences between them was resolved (subsumed) a long time ago by giving them recognition in a political vision that allows occupational identities to be transcended. This ‘solution’ is not working at the moment, and the question is how the union movement could use its own resources to provide cohesion and a political vision, which may be what is needed if there is to be renewed faith in collective action.

This is not just a French issue, and it should lead to closer union relations and more European responses. In the meantime, the French unions need to find a response to a number of domestic challenges: first and foremost, they need to be able to resolve some of the differences they have inherited from the past, but they also need to be able to deal with their other differences in a way that will not deter French workers from returning to their ranks.
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France’s trade unions in the aftermath of the crisis

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All links were checked on 17 April 2018.