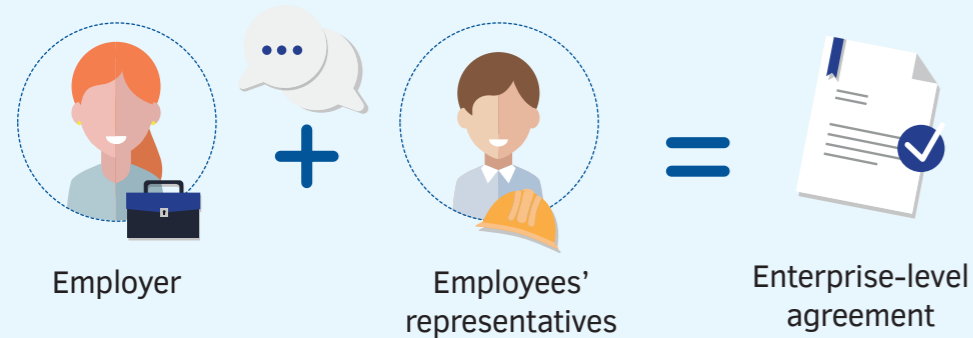


SOCIAL DIALOGUE IN FRENCH BUSINESSES

ENTERPRISE-LEVEL AGREEMENTS

Employers and employees can use collective bargaining to negotiate the rules that apply to everyone. The labour law reform gives priority to enterprise-level agreements i.e. at the most relevant level regarding those concerned.



The enterprise-level agreement applies either to all employees or to one staff category (executives for example)

It covers such topics as: working time, bonuses, profit-sharing agreements and employee savings plans

THE LABOUR CODE

This defines the fundamental rights and the framework governing sector –and enterprise– level collective agreements. It contains most of the applicable labour law legislation and regulations.

THE SECTOR-LEVEL AGREEMENT

The sector brings together all of the employers' and employees' representatives within the same branch of industry, with a view to negotiating the basic rights that shall apply to all the businesses sector-wide: minimum wages, health protection, gender equality in the workplace and so on.

FRANCE: AN ATTRACTIVE ECONOMY WHICH IS ADJUSTING TO GLOBALISATION

The labour law reform addresses the need for business to adapt and encourages foreign investment in France.

A COUNTRY OPEN TO INTERNATIONAL INVESTMENT

For 15 years France has been the no.1 destination for industrial locations in Europe. Over 20,000 foreign businesses employ some 2 million people here. This has nothing to do with luck: France is the world's 7th largest economy in terms of labour productivity per hour (2016).

A SKILLED AND MOTIVATED WORKFORCE

2 out of 3 workers in France are happy with their company. 80% feel their job is useful – and this includes employees and employers alike. The labour law reform encourages employees to get involved in the life of their company – which in turn plays a key role in productivity and appeal.

THINK SMALL FIRST!

A reform tailored to fit the needs of small and medium sized companies. 69% of workers in France are in favour of direct negotiations with staff representatives and 71% are for the extension of the project-based contract.

A LABOUR LAW MORE IN TUNE WITH BUSINESS' NEEDS

Clear, simple, stable rules top the list of foreign investors' expectations. The Government's reform plans demonstrate that France can continue to simplify and shore its labour law up, through social dialogue.



A LABOUR MARKET CONDUCIVE TO INVESTMENT AND JOBS

THE LABOUR LAW REFORM:
10 KEY POINTS AT A GLANCE

PRAGMATIC SOCIAL DIALOGUE CLOSER TO EMPLOYERS AND EMPLOYEES NEEDS

1. MORE FLEXIBLE AND ADAPTABLE COLLECTIVE BARGAINING FOR EVERYONE'S BENEFIT

Businesses will be able to negotiate, at their level, working time, wages, mobility, training, night work and, more generally, the way work is organised. This will give all the stakeholders more of an opportunity to get involved – staff, staff representatives and the employer – which, in turn, will help to ease the social context. Workers will feel more motivated and committed to helping the business to do well.



2. SIMPLER SOCIAL DIALOGUE

Staff representatives will be grouped together within a single works council, instead of three different bodies. This will lead the employer to have better trained, better informed partners for pragmatic negotiations, closer to the company's needs and the employees' expectations.

3. THE LABOUR REFORM GIVES PRIORITY TO SMALL AND INNOVATIVE BUSINESSES

It allows for greater flexibility by encouraging businesses to be adaptable. The scrapping of irrelevant red tape, possibility of negotiating directly with employees when the company does not have a trade union representative and the settings of specific rules for small businesses in sector-level agreements are all examples of pragmatic action being taken to better align with current work practices.

A MORE FLEXIBLE, JOB-FRIENDLY LABOUR MARKET

4. THE POSSIBILITY OF ADAPTING BETTER TO ANTICIPATE A PICKUP OR SLOWDOWN IN ORDERS

The possibility of anticipating or adapting swiftly to upward or downward market trends, through simplified majority agreements on working time, wages or mobility. Enterprise-level agreements will be given priority over employment contracts. Enterprise-level negotiations will be given priority over sector-level regulations, with the exception of certain fundamental issues (such as workplace equality, minimum social benefits or disability).

5. NEW CONTRACTS MORE IN TUNE WITH THE REALITY OF BUSINESS OPERATIONS

The "project-based contract" will allow businesses to hire an employee for the duration of an assignment or project. Each sector may adapt the terms and conditions to the reality of their specific branch of industry. Similarly, the rules governing fixed-term contracts (maximum term, number of renewals, waiting period between two contracts) may be negotiated at sector level.

6. ECONOMIC DIFFICULTIES NOW ASSESSED AT NATIONAL LEVEL

A French subsidiary of an international company experiencing problems in France will be able to lay workers off on the grounds of these problems specific to France. moreover, it will only be required to present the employees being laid off with redeployment possibilities on French soil. This is how things are already done in most other European countries.

7. TELEWORKING NOW ENCOURAGED

Informally speaking, this concerns up to 20% of employees in France – and something that 2 out of 3 employees today would genuinely like to do.



A CLARIFICATION OF SOCIAL RULES

8. SECURED CONDITIONS FOR DISMISSAL

Dismissal procedures have been simplified with the introduction of a dismissal form setting out the rights and duties of each party in the event of dismissal. The capping of damages in labour courts clarifies the law and provides visibility for the employer.

9. A CAP OF LABOR COURTS' DAMAGES

A cap of labor courts' damages will be put in place in case of dismissals (except for cases of discrimination, harassment or violations of the employee's fundamental rights). It will provides security and visibility with regard to potential disputes.

10. A DIGITAL LABOUR CODE

Access to a digital labour code will help people to get a better grasp of the law. Clear, accessible and easy-to-understand, it provides answers to questions raised by micro-business/SME managers and their employees.

