France: Unions, employers sign labour reform gutting workers' rights

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On January 21, trade unions and employers' organisations signed an agreement for a drastic reform of French labour law. The general thrust of the law is to increase trial periods for new hires, make employment more directly contingent on market conditions and the economic climate, and force fired workers to accept any jobs offered to them. The agreement, passed behind the backs of the workers, is a further betrayal of the workers by the trade union bureaucracy.

With the agreement signed, the government of President Nicolas Sarkozy and Prime Minister François Fillon is now free to present it to the National Assembly for passage. Inside the National Assembly, their conservative UMP (Union for a Popular Majority) has a comfortable majority, guaranteeing passage of the law.

The agreement substantially lengthens trial periods for new hires in CDI positions (Indeterminate-Length Contracts, the principal non-temporary job contract in France). It will increase from one month to two months for workers and employees, to three months for technicians, and to four months for professional workers. Another provision allows for the renewal of the trial period—in effect, doubling its length to four, six or eight months.

The more substantial change in this direction, however, is the creation of a new type of CDD (Fixed-Length Contract—i.e., temporary job contract)—the "Mission CDD," a nonrenewable contract structured around a "mission" with a "precise goal," lasting 18 to 36 months. A worker in such a contract would only have rights to 10 percent of his or her total pay as a severance package if his employer decided to fire the worker before the set date.

Maryvonne Labeille, CEO of the recruiting firm Labeille Conseil, confirmed that the goal is to create a layer of workers whose employment is completely dependent on the vagaries of the capitalist market: "The Mission CDD will above all allow [firms] to absorb temporary economic growth." However, she also noted that these Mission CDDs will be used "to test out a position and a job candidate" that might later be turned into a longer-term position, thus avoiding the CDI restrictions altogether.

Another major change is the introduction of "friendly ruptures" of job contracts, making it substantially easier to hire and fire workers. The "friendly rupture" is a third way to terminate a job contract, besides resignation by the employee or a formal firing (*licenciement*), for which the employer must provide legal justification and which entitles the fired worker to severance pay and a hearing before the *conseil des prud'hommes* (labour law courts). The "friendly rupture" would allow employers seeking to fire employees to dispense with such hearings, allowing employers to negotiate severance pay directly with the worker instead of in the labour courts.

Other measures include allowing employers to avoid paying indemnity fees to workers discharged due to illness (the charges would be paid by Social Security institutions) and making severance payments to workers dependent on workers' "active search for work" and accepting "valid job offers."

The passage of the accord testifies to the close political collaboration that has evolved between Sarkozy's government and the trade union bureaucracy. Negotiations started on the accord on September 7, 2007, after Fillon sent letters inviting the trade unions to negotiations with employers' federations. These negotiations were kept secret and went unreported in the press during the October-November railway and public sector strikes against the

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cuts in the *régime spéciaux* pension plans. Plans for a major reform in French labour law were announced only during Christmas vacation.

The accord was signed at the headquarters of the Medef (Movement of French Enterprises—the main employers' organisation) by employers' organisations as well as four of the five official trade unions in France: the French Democratic Labour Federation (CFDT), Workers Power (FO), French Christian Workers Federation (CFTC), and the General Federation of Professional Workers (CGC).

The Stalinist-dominated General Confederation of Labour (CGT), though it participated in all four months of negotiations over the agreement, decided not to sign at the last minute after it was clear that FO, the CFTC, and the CGC would all sign the agreement, providing the minimum number of trade unions required for the agreement to be presented to the National Assembly.

Employers' organisations hailed the measure, with Medef President Laurence Parisot declaring it a "major social innovation." The bourgeois press widely commented that it represented a French version of "flexisecurity"—the combination of minimal state protection and highly precarious employment that is the basic model of labour law in the Scandinavian countries.

The introduction of flexisecurity has been advocated for some time by the European Commission, various governments and a section of the European bourgeoisie as the best way to reduce the living standards of the working class and maintain European firms' competitiveness in the global economy without provoking a social explosion. In this model, the trade unions play a major role, as the main instrument whereby the legal attacks on living standards are ratified and imposed on the workforce.

However, it is clear that this reform is only one step in a more extensive plan of attacks being prepared on the living standards of the working class. The trade unions reportedly convinced the employers' federations to put off the announcement of measures reducing severance packages, which will doubtless be reintroduced later. This month has also seen the publication of the decree cutting the *régime spéciaux* pensions, and further cuts in the general pension scheme will be negotiated between employers' federations, the government, and the trade unions after the March 2008 municipal elections.

Many business figures criticised the present agreement as not going nearly far enough. Jean-René Boidron, head of the pro-business lobbying group Croissance Plus, told the conservative daily *Le Figaro*, "It's a symbolic victory because of the idea of flexibility that it introduces, but it will not revolutionise the situation." For all the hype presented to the public about increasing employment by passing these laws, Boidron judged that their impact would be "minimal."

The labour law agreement not only represents a significant attack on workers, but provides an important political lesson in the limitations and ineffectiveness of militant protest aimed at pressuring the state. The population's basic opposition to flexisecurity underlay the multimillion-strong 2006 strike and protest movement against the First Job Contract (CPE), which aimed to introduce into French labour law conditions very similar to those in the current agreement: lengthening trial periods and facilitating hiring and firing.

This movement was brought to an end, however, by the shelving of the law due to the concerted opposition of the trade unions and then-interior minister Nicolas Sarkozy, who sought to defeat his political rivals, then-president Jacques Chirac and then-prime minister Dominique de Villepin. The trade unions and Sarkozy, having defeated the CPE, are now plotting substantially greater attacks on the living standards and working conditions of the French masses.

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