French unions agree to pro-corporate labor "reforms"

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An agreement was reached last Friday between the French employers' federation Medef and the trade unions to allow employers to impose greater "flexibility"—a code word for speedup and the gutting of job protections. Union as well as business officials presented the measures as a boon to competitiveness and job-creation.

The proposals were pushed by the Socialist Party (PS) government of President François Hollande. They will undermine workers' legal protections against arbitrary wage cuts, extensions of work hours and dismissals.

Prior to the negotiations, Hollande had called for a "historic compromise." In fact, the deal represents a further capitulation by the unions to the offensive of the employers and the government against the working class.

The main negotiator for Medef, Patrick Bernasconi, underlined the extent of the unions' capitulation, declaring, "We have reason to be happy after three months of work." The President of Medef, Laurence Parisot, said that as a result of the government's €22 billion cut in corporate social costs and the new "flexibility" agreement, "France can hope to begin significant progress in reconquering its competitiveness."

President Hollande called the deal "a success for social dialogue."

The biggest blow to workers is the acceptance of the employers' right to introduce unlimited short-time working for a period of up to two years, with the consequent reduction in workers' income. Employers will be able to use the threat of layoffs to impose the short-time working regime where unions covering a majority of workers accept such a proposal. The new law, in effect, encourages employers to employ blackmail to slash workers' earnings.

There are also internal mobility provisions that allow companies to shift workers from task to task.

In return for sacrificing job protections and workplace rights won over decades of struggle, the unions are touting a promise by the companies to share any benefits they gain upon returning to profitability.

The agreement includes as an "experiment" a new "temporary permanent contract" for companies with 50 employees or less. This arrangement will allow companies to employ "permanent" workers intermittently and terminate their employment contract once a specific job has been completed.

The deal was clinched when three of the five official union confederations—the CFDT (French Democratic Workers Confederation), the CFTC (French Christian Workers Confederation) and the middle managers' union CFE-CGC—accepted a concession by the employers, who agreed to raise their social charges for one-month short-term contracts to 7 percent of wages, and for three-month contracts to 5.5 percent. The €110 million cost for employers of this concession will be more than offset by their exemption from social charges for the first 3 months of a permanent contract for any new-hire under the age of 26, which will save the bosses €155 million.

To further integrate the unions into management, they have been given up to two seats on the board of directors of companies with 10,000 or more employees worldwide, or 5,000 or more in France.

The negotiator for the CFDT, which is aligned with the Socialist Party, described the agreement as "ambitious for jobs and pushing back job insecurity."

The two other officially recognized union confederations, the General Confederation of Labour (CGT) and FO (Workers Force), refused to sign the deal. However, they have no intention of mobilizing workers to oppose a new law based on the agreement which the government is preparing for next May. They collaborated with the previous right-wing government of Nicolas Sarkozy on labor market “reform” in 2008.

The *Nouvel Observateur* reported that retiring CGT leader Bernard Thibault was in favor of the PS government legislating concessions on flexibility which, in his opinion, would be more protective of workers. However, the pretense that Hollande might be to open to pro-labor measures is belied by his entire record since coming to power last year. He has announced austerity policies and pledged to increase the competitiveness of big business by slashing labor costs. The PS government’s participation in joint trade union deals to close PSA Peugeot-Citroën at Aulnay and ArcelorMetal at Florange is further evidence of its anti-working class character.

Charles de Froment, a labor market expert and head of public affairs for the Manpower group, cited the “flexibility” obtained by the employers as the most important result of the agreement. “This will eventually progressively challenge the duality of the French labor market between permanent and short-term contracts,” he said.

With the sanction of the CGT, Manpower was the first company to introduce temporary contracts in France in 1969, before their becoming legal in 1972.

Raymond Soubie, advisor to former President Nicolas Sarkozy, when asked if the “flexibility” agreement was groundbreaking, replied: “We quickly forget the labor relations agenda established each year with the unions and employers and all the agreements concluded with the social partners, some unanimously, during the last parliament [under Sarkozy].” This sums up the continuity of the Socialist Party government's attacks on workers’ social rights with those of the previous government.