

# France's New Labor Laws: Casualization as a Social Model in France? Definitely No!

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*On August 31st, the French government finally published decrees which alter labour law, for the second time in little over a year. Less rights for workers, more power for employers: that is, in a nutshell, the contents of this new law.*

This further social retrenchment goes much further than the previous reform (so-called "[El-Khomri Law](#)"), although the El-Khomri Law was explicitly condemned by the United Nations as contrary to France's international commitments[1] and against which a complaint has been lodged with the International Labour Organization.[2]

Under the pretext of efficiency – but more so in order to reduce to nil any in-depth discussion and restrict protests – this pro-employer reform has been adopted through a fast-track process, i.e. with Parliament reduced to mere rubberstamping and unions granted a grand total of six hours each for consultation!

Below are the main bones of contention for the CGT:

## 1. Easier lay-offs

Although the current system already gave employers many options to choose from to terminate contracts and whilst job casualization is a plague for millions of people without any benefits to the economy, this new reform provides for:

- *Drastic reduction of severance pay for unfair dismissal.* In cases of questioning dismissals with the relevant jurisdictions, the decrees provide for capped compensation. This means that employers will know in advance how much it will cost them, when they violate the law through unfair dismissals! The bigger the firms and the greater their financial means, the easier it will be to include provisions in their budgets, so as to be able to organize dismissals without any real or serious grounds.
- The El-Khomri Law already provided for dismissals in cases of a drop in turnover or cash flows, even if only by a few Euros. But that was not enough. In order to remove all "obstacles to recruitment," Emmanuel Macron is generalising the principle of "throwaway workers."
- *Easier economic redundancies.* Whereas until now, multinational firms facing difficulties in France but making a profit elsewhere could not go ahead with economic redundancies, as per the decrees, their international financial standing will no longer be taken into consideration in such cases.

## 2. Devalued trade union activities

- *Depreciation of the role of unions in firm-level bargaining.* It will now be possible for bargaining to take place in small firms through referendum, without staff or union representatives. In other firms, the rules differ according to size, but globally, the result remains the same: any firm management can convene a referendum unilaterally. Such a referendum is therefore a major tool against workers, to impose an agreement that would be rejected by majority unions.
- *Merger of the current three workers' representative bodies into a single entity, "the Social and Economic Committee."* This reorganization will mean more remote representatives, as they will have to deal with affairs at higher levels, thus spending less time spent with workers facing difficulties at the workplace. The government is quite obviously trying to restrain any opposition, thus curtailing social democracy in our country.

## 3. Generalized casualization

- *The decree will mean more casual contracts:* "assignment contracts" are to be generalized. Whereas until now, such short-term contracts were reserved for some specific branches, they will now be introduced to all sectors, the idea being that such contracts terminate at the end of specific missions.
- *The development of fixed-term contracts:* from now on, it will be possible to increase their duration or renew them at will. We are therefore moving toward the end of permanent contracts in France.

## 4. Hierarchy of standards

- The El-Khomri Law turned upside the standards that regulate labour law. The new reform is a follow-up to, and an amplification of, that previous law. Thus, in most areas (bonuses, allowances, maternity leave...), company agreements will take precedence over branch agreement, even if they are less favourable to workers. For instance, a company agreement may provide for less bonuses or longer working time. If workers refuse changes to their contract of employment, they will automatically be laid-off on "compelling grounds." Employers might be tempted to use this kind of blackmail to avoid any opposition. Ultimately, the purpose is for employers to be able to negotiate the retrenchments that suit them best. In France, over 50% of workers are employed in small or very small firms – with weak union representation – but they come under branch collective agreements. With the reform, workers will be faced with possible company agreements that are below branch agreements.

This will increase social dumping among French firms.

These decrees marginalize workers' counter-powers and jeopardise the values and foundations of our social system.

For all the reasons mentioned above, the [CGT](#) has called for a day of united action on 12 September. We will remain mobilized, and defend our social rights!

We call upon our trade union friends worldwide to support us on this day of action.

## Notes

1. Final remarks from the UN Committee on Economic, Social and Cultural Rights, dated June 2016, on the legal basis of Articles 6 and 7 of the International Covenant on Economic, Social and Cultural Rights (1966).
2. For violation of Conventions 87 (Freedom of Association), 98 (Collective Bargaining) and 158 (Termination of Employment).

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