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Opportunities or Tensions: Assessing French Labour Market Reforms from 2012 to 2018

Bernard GAZIER^{*}

This article provides an overview and critical assessment of the intense efforts made to reform French labour market institutions and labour law during the Presidency of François Hollande (2012–2017) and the first eighteen months of the Presidency of Emmanuel Macron. It focuses on the provisions of the El Khomri Act of 2016, the Macron Orders of 2017 and the 2018 Act reforming lifelong learning institutions. The article identifies a strong continuity between the two presidencies, except for the 2018 lifelong learning reform which aims at introducing real change. Compared to the German Hartz reforms of 2002–2005 (similar in scope and importance), and situating European reform strategies within a range of policy options, the article argues that the French reforms correspond to a particular version of ‘flexicurity’, characterized by strong State involvement in labour market policies but also leaning increasingly towards flexibilization and individualization. The article ends by highlighting the limits of the French strategy, especially in the context of slow growth and social unrest in 2018–2019, and outlines a number of principles and orientations that may lead to more efficient and acceptable policies.

1 INTRODUCTION

Reforming labour market institutions has been an ongoing activity in France since the 2008 world crisis, especially during the Presidency of François Hollande (2012–2017) and the first two years of the Presidency of his successor, Emmanuel Macron. No less than five reforms have been enacted in six years, four of them aimed at introducing greater flexibility in the labour market, more or less compensated by additional security for workers: the Sapin Act of 2013; the Macron-Rebsamen Act of 2015; the El Khomri Act of 2016; and lastly the Macron Orders of 2017. The ‘Act for the freedom to choose one’s professional future’ of 2018 reformed vocational training, as well as retraining institutions and procedures. It was intended to trigger a ‘big bang’, radically transforming the previous system of lifelong learning and favouring individual initiative.

In this article, I focus on reforms in the period 2016–2018. Even if it remains to be completed in 2019 by a reform of unemployment insurance, this period corresponds to a cycle of major initiatives promoting a French version of ‘flexicurity’.

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*Box 1 Three Major Acts Reforming the French Labour Market, 2016–2018***Loi El Khomri (2016)**

Loi n° 2016–1088 du 8 août 2016 relative au travail, à la modernisation du dialogue social et à la sécurisation des parcours professionnels

Ordonnances Macron (2017) and Loi Pénicaud (2018)

Loi n° 2017–1340 du 15 septembre 2017 d’habilitation à prendre par ordonnances les mesures pour le renforcement du dialogue social

Ordonnance n° 2017–1385 du 22 septembre 2017 relative au renforcement de la négociation collective

Ordonnance n° 2017–1386 du 22 septembre 2017 relative à la nouvelle organisation du dialogue social et économique dans l’entreprise et favorisant l’exercice et la valorisation des responsabilités syndicales

Ordonnance n° 2017–1387 du 22 septembre 2017 relative à la prévisibilité et la sécurisation des relations de travail

Ordonnance n° 2017–1388 du 22 septembre 2017 portant diverses mesures relatives au cadre de la négociation collective

Ordonnance n° 2017–1389 du 22 septembre 2017 relative à la prévention et à la prise en compte des effets de l’exposition à certains facteurs de risques professionnels et au compte professionnel de prévention

Loi n° 2018–217 du 29 mars 2018 ratifiant diverses ordonnances prises sur le fondement de la Loi n° 2017–1340 (Loi Pénicaud).

Loi Pour la liberté de choisir son avenir professionnel (2018)

Loi n° 2018–771 du 5 septembre 2018 Pour la liberté de choisir son avenir professionnel

A contextualized and comparative approach is used to assess this major sequence of reforms. I first briefly outline the overall context of the reforms, then look at their content. It is of course too early to present direct elements of *ex-post* evaluation of these policies, but it is possible to look at the strategies, constraints and room for manoeuvre at the end of the decade. This is done by introducing some comparisons. First, the French 2016–2018 reforms are compared with the Hartz reform cycle in Germany (2002–2005), which was comparable in importance and scope – and deemed successful. Second, I situate French policy initiatives within a range of policy options regarding labour market reforms. The last part of this study extends the analysis by introducing a macroeconomic dimension and considering the current slow growth constraints in Europe.

Accordingly, this article starts by providing some contextual information and elements about the method adopted and the general orientation of the reforms (section 2). The next section presents and discusses more precisely the provisions of the three reforms selected. Section 4 provides a wider analysis of these efforts by introducing comparative elements that are practical and theoretical. The last section concludes.

2 THE CONTEXT AND GENERAL ORIENTATION OF FRENCH LABOUR MARKET REFORMS, 2012–2018

This short section successively considers the overall context of the reforms, the method followed by the reforming governments, and the *prima facie* specificity of the so-called *flexisécurité à la française*.

2.1 THE SOCIAL AND POLITICAL CONTEXT

Since the end of the 1970s, France has been plagued with persistent high levels of unemployment. The 2008 world crisis stopped a slow process of improvement. The unemployment rate was around 7% before the crisis, but quickly went up again after 2009 and reached 10%. It subsequently declined slightly from around 10 to 8% between 2010 and 2018. Besides this enduring challenge, France is characterized by a strong dual labour market with an explosion of very short-term contract jobs. While 80% of existing employment contracts are still open-ended and presumably stable, more and more workers are trapped in the unstable segment of the market. Between 2000 and 2017, the number of declared fixed-term contracts with a duration of less than one month increased by 165%, up from around 1.5 million by quarter in 2000 to 3.5 million in 2017.¹ Contracts even exist for one day or less, with a tacit renewal on a daily basis, and precarious forms of self-employment have proliferated, such as *auto-entrepreneurs*: independent workers subject to a limited set of obligations, with reduced social security contributions but also limited rights to social protection and pensions.

Regarding France's political evolution, there have been formal changes in government from the right-wing Presidency of Nicolas Sarkozy (2007–2012) to the left-wing Presidency of François Hollande (2012–2017), followed by the election of President Emmanuel Macron, a declared centrist, in 2017. However, the distinction between right and left is now blurred, with the weakening and even the disintegration of traditional political parties as well as the strong presence of populist oppositions, either from the far-right (Marine Le Pen, Front National/National Rally) or the far-left (Jean-Luc Mélenchon, La France Insoumise).

2.2 REFORMING THE LABOUR MARKET IN FRANCE: FROM AN APPARENT PRIORITY GIVEN TO THE SOCIAL PARTNERS TO THEIR MARGINALIZATION

The starting point here is the 2007 Larcher Act: in social and especially labour law matters, the government has to set up negotiations between France's official

¹ UNEDIC, *Evolution des CDD de moins d'un mois et de l'Intérim par secteur d'activité*, Document de travail (Feb. 2018).

social partners at the national level, on topics and issues chosen by the State. If an agreement is reached, it is translated into law and presented to Parliament for approval. If not, the government directly elaborates and enacts the law through the classical procedure (Parliament). As a result, there exists a threat and an opportunity for the social partners: they can influence outcomes but only on pre-selected topics and they remain under pressure. In practice, the negotiation rounds have been controlled by the government, day-by-day. Members of the Cabinet are informed on an ongoing basis, and the government can suggest outcomes or provide additional resources if necessary: e.g. in the funding of unemployment insurance.

The procedure was used intensively from 2009 to 2015. In 2015, the negotiations failed and the Rebsamen Act was adopted. In 2016, the El Khomri Act was adopted without prior negotiation and generated a strong protest movement. All in all, it took twelve to eighteen months to pass the new Act.

With the Macron presidency, the procedure has been abandoned, officially because it seemed too long in a context of alleged emergency, and a ‘fast-track procedure’ was set up: after a quick round of exchanges of views with the social partners, the government adopted its own reforms, either through Orders (*Ordonnances*) quickly submitted for the approval of Parliament, or through a traditional Act.

2.3 A BIRD’S EYE VIEW OF *FLEXISÉCURITÉ À LA FRANÇAISE*

The general orientation of French reforms has been State-led and partially compensated deregulation of the labour market. This is why these reforms have been termed *flexisécurité à la française*, the main French specificity being the importance of the role of the State.²

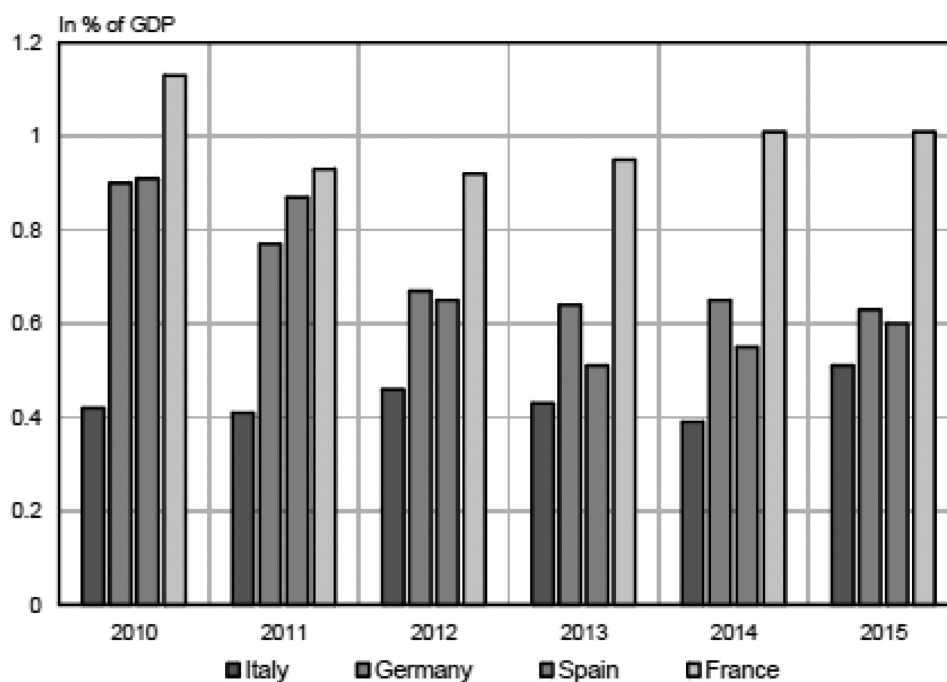
From one Act to the other, the reform process has been progressively enlarged and deepened, affecting many institutions and domains: litigation, limits to short-term contracts, overtime payments, unemployment insurance, decentralizing collective bargaining, training, and so on.

The huge involvement of the State is especially visible when considering the persisting high levels of spending on active labour market policies compared to other EU countries: see Chart 1 below.³

² *Flexisécurité* or *flexicurité*? Both terms are used today in France, the first being closer to French language usage and suggesting a certain distance from the international jargon.

³ ‘Active labour market policies’ correspond to the State-organized and funded placement, counselling and retraining activities for the benefit of the unemployed.

Chart 1 Expenditures in Active Employment Policies for Four EU Countries, 2010–2015



Source: DG Trésor.

Source: Ba Haroun, Brunetto Axel and Guigné Arnaud 2018, 'Labour market reforms in Italy', *Trésor-economics*, n°228, October, page 8

Such support has been prolonged in France after 2015, and was even accentuated with the launching in 2018 of the *Plan d'Investissement dans les Compétences* (PIC, an Investment in Competencies Plan), which intends to spend nearly EUR 15 billion over five years (2018–2022) for the training of one million low-skilled unemployed and one million low-skilled young workers who have dropped out of the labour force.

In sum the French specificity lies in a paradox: a deregulating *and* high spending State.

3 THE CONTINUITY AND BREAKS OF THE THREE MAJOR ACTS IN 2016–2018

Turning to the content of the three major labour market reforms, as noted above, the first was enacted by the centre-left government of Prime Minister Manuel Valls

(under President Hollande, and with Myriam El Khomri as Minister of Labour): the so-called *Loi El Khomri* (2016). The second was enacted by the centre-right government of Prime Minister Edouard Philippe (under President Macron and with Muriel Pénicaud as Minister of Labour): the *Ordonnances Macron* and *Loi Pénicaud* (2017–2018).⁴ The last was enacted one year later by the same government and concerns apprenticeships and lifelong learning: the *Loi pour la liberté de choisir son avenir professionnel* (2018).

It is logical to deal with the first two reforms in the same sub-section, because they have broadly the same aims and largely share the same priorities. The third Act relates to a different field and is leading to a real break with the existing institutions, so it seems justified to examine that separately.

3.1 STRONG AND VISIBLE CONTINUITY: FROM THE EL KHOMRI ACT TO THE MACRON ORDERS AND PÉNICAUD ACT, 2016–2018

Let us start with a remark on terminology. In the French newspapers, the 2017 Macron Orders and the 2018 Pénicaud Act have frequently been termed the *Loi Travail 2* because they replaced and extended the *Loi El Khomri*.⁵ Is this popular perception of a direct continuity between the two Acts justified?

It is not possible to present and discuss the texts of both Acts extensively here, because they are very long (hundreds of pages) and mainly technical. I will therefore consider the key points of each, following the main distinctions of debates in France on flexicurity. This debate covers elements favouring employers by bringing more flexibility into the labour market and in labour relations, and elements providing more security for the workers. It may be noted that logically one should also consider flexibility for the workers and security for the employers. But this last distinction has not often been used in France. Most analysts of these laws simply merge all measures favourable to the employers on one side labelled as ‘flexibility’ and all measures favourable to workers on the other side, labelled as ‘security’. For the sake of simplicity, we will adopt this distinction here, leaving an overall discussion on the true nature of flexicurity – whether *à la française* or not – to section 4.

⁴ Despite the initial claim by E. Macron of being ‘neither left nor right’, policies by the Philippe government quickly showed that its overall orientation was in favour of business demands and that its ‘socio-liberal’ agenda was mainly ‘liberal’ in the French meaning of the term, i.e. favourable to pro-market adjustments.

⁵ Here are some references found on the web versions of important daily or weekly newspapers in 2017: *Loi Travail 2: ce que Macron veut ajouter à la Loi El Khomri*, Le Parisien.fr (22 May 2017). *L’enjeu était fort, cette ‘Loi Travail 2’ intervenant moins d’un an après la loi El Khomri et ses six mois de contestation et grèves*, L’Express (Oct. 2017). *Loi Travail 2: vers l’indemnisation des salariés démissionnaires*, Le Point (8 Aug. 2017).

The main sources for isolating the key elements in each law are first the long introductory considerations and justifications put forward at the beginning of the draft version of each Act as submitted to Parliament, and, second, the presentations/analyses published either by specialized journals⁶ or specialized websites.

As regards the El Khomri Act of 2016, three main measures have been enacted on the flexibility side. The first consisted of simplifying and easing ‘dismissals for economic reasons’ (*Licenciement pour motif économique*). For a long time, French policy-makers and governments have exercised public control over the justifications and modalities of such dismissals, ranging from preliminary administrative control by the Ministry of Labour and control by Labour Tribunals, together with mandatory negotiations between companies and unions. Individual workers and unions could oppose dismissal procedures by contesting their economic justifications: e.g. the need for more competitiveness was often evoked by employers and contested by workers. In the El Khomri Act, the criteria allowing *licenciement économique* were unified and simplified: for small firms, a three-month deterioration of a meaningful indicator such as a fall in turnover or profitability were sufficient; for firms with over 300 employees, declining revenues or profits over a one-year period were sufficient. Such matter-of-fact justifications were aimed at eliminating possible challenges.

A second measure was the promotion of decentralized bargaining in some domains at the firm level (*accords d’entreprise*), even if the provisions were less favourable than existing agreements concluded at the branch or national level. This has been referred to as an ‘inversion of norms’ in the French public debate. The Act remained restrictive here and only selected a few matters such as working time and the payment of overtime hours. Typically, overtime should be paid 25% more than regular hours in France, while the Act allows for an increment of only 10%, if there is an agreement between the firm and unions representing at least 50% of the workers (determined by ‘occupational elections’). While this has theoretically been possible since 2004, it has in practice not been observed because it remained possible to sign a branch agreement with a ‘lock-in’ clause excluding less favourable company agreements (*accords d’entreprise*) regulating this matter. By confirming the superiority of the *accords d’entreprise* over the branch agreements, the Act abolished this ‘lock-in’ practice.

Lastly, the Act lays down the possibility of holding referendums at the firm level, if they have been demanded by one or several unions representing at least 30% of the employees. This weakens the capacity of resistance of established

⁶ The main source here is *Droit social* which has published several dedicated thematic issues: *Droit Social* 2016, *Le Compte Personnel d’Activité*, Special issue, no 10, Oct.; *Droit Social* 2016, *La Loi El Khomri*, Special issue, no 11, Nov.; *Droit Social* 2017, *La réforme du droit du travail. Ordonnances du 22 septembre 2017 (1)*, Special issue, no 12, Dec.; *Droit Social* 2018, *La réforme du droit du travail. Ordonnances du 22 septembre 2017 (2)*, Special issue, no 1, Jan.; *Droit Social* 2018, *La réforme de la formation professionnelle et de l’apprentissage*, Special issue, no 12, Dec.

unions as regards firm-level agreements when business conditions are difficult. Even if they represent 50% of workers or more, they cannot oppose a less favourable agreement if it is approved in a referendum. From this perspective, the Act also introduces the possibility of *accords offensifs* which temporarily allow for wage cuts and additional working hours when a firm faces economic difficulties.

On the security side, the Act also introduced three key measures, beginning with better protection of seasonal workers. Second, it brought in an important change in the way training rights are calculated and implemented, for the workers but also for every individual. The Act created the *Compte Personnel d'Activité* (CPA, an individual activity account), by merging three individual accounts: the existing *Compte Personnel de Formation* (CPF, individual training account), the individual training rights account; and the recent *Compte de pénibilité* (an account for hard/arduous work) benefiting workers exposed to harsh working conditions; and the to-be-created *Compte d'engagement citoyen* (a volunteering-citizen account). Each account gives rights to training hours, which can be accumulated over the years and, in principle, used as the account holders (workers/individuals) decide.

The third and last securing elements concerned young people. Following an initiative of the European Union (the 'Youth employment package of measures' of December 2012), the French government had previously created the so-called *Garantie Jeunes*, bringing some income support, tailored guidance and follow-up services to France's young NEETs (Not in Education, Employment or Training). The Act provides an extension of this programme, aiming at protecting and integrating some of the most disadvantaged persons in France. Access to the *Garantie Jeunes* has become a right granted to every young person between the age of 18 and 25, in a NEET situation, and covering the entire national territory.

It should be noted that the Act left untouched some of the basic pillars of French Labour market regulation, such as the thirty-five-hour week and the minimum wage – even if many components of working time (resting hours, holidays, maximum daily duration, supplementary hours) can be negotiated at company level.

Turning now to *the Macron Orders of 2017 and the Pénicaud Act of 2018*, no less than seven main elements favouring flexibility can be identified. I start here by presenting the most important ones which alter the balance of power between the social partners, while modifying the role of labour law.

First, the Macron Orders confirmed and generalized the 'inversion of norms' outlined by the El Khomri Act. In the new architecture of French labour law, the law only lays down principles, while the provisions are set at company level or, if not applicable, at the branch level. This amounts to the end of the old *Principe de faveur* which stipulated that in a conflict over norms the one most favourable to the worker should prevail. If less favourable provisions stem from an agreement signed at the firm level, then these prevail. Previous more favourable agreements signed at the branch level cannot be

used against the company. The Orders provide an important list of exceptions for which branch agreements still predominate, including minimum hierarchical wages, job classifications, part-time work, collective management of training funds, and gender equality. But even with these protections, the core of the system is now that rules and contents are negotiated at company level. A key example here is that it is now possible to lower some components of wages by means of company-level agreements.

Second, several committees and institutions inside firms have been merged, in order to limit the number of bodies, delegates and meetings. The *Comité d'Entreprise* (CE, works council), the *Comité d'Hygiène et de Sécurité et des Conditions de Travail* (CHSCT, hygiene, safety and working conditions committee), and the *Délégués du Personnel* (DP, personnel representatives) have been merged into a single *Comité Économique et Social* (CES, economic and social committee). The concrete effects of this seemingly neutral rationalization remain to be seen, as the practical implementation only began at the beginning of 2019. However, the reform reduces the resources and visibility of these previous bodies at least in some important areas. For example, the CHSCT had significant resources and means of action regarding health and work accidents, and enjoyed a clear visibility. Now it has been merged into the CES. Even if the overall number of hours paid to delegates for accomplishing their missions remains the same, the fear is that the reform will end up in shorter debates and less carefully grounded decisions, with the probable result that some collective protection of workers will be cut back.

Third, satisfying a recurring demand by employers, the Macron Orders have changed the rules of France's Labour Tribunals (*Conseils de Prud'hommes*). Employers complained that these courts were very slow and often imposed severe fines on firms losing a case, after more than one or two years of proceedings. Regarding unfair dismissals (*licenciements abusifs*), the Orders shortened the maximum length of the procedure and set mandatory ceilings and floors on fines, drastically limiting them. For the ceilings, fines may run to one month's salary when a worker has less than one year of seniority, and to twenty months of pay beyond twenty-eight years of seniority. Regarding minimum fines, for small firms (less than eleven employees), half a month's wage beyond one year of seniority may be awarded, gradually increasing to 2.5 months' pay after nine years of seniority. For bigger firms, the minima are one month's pay after one year of seniority, and three months' pay after two years of seniority. In case of a 'violation of a fundamental freedom', the fine has no ceiling and the minimum is set at six months' pay. These rules alter the role of the Labour Tribunals because they are constrained by the compensation scales and can no longer evaluate the consequences of unfair dismissal.

The fourth element is the ability to reach an agreement to terminate a collective convention (*convention de rupture conventionnelle*) of the employment contract. The possibility of individual termination of a convention (*rupture conventionnelle*) was

introduced by an Act in 2008 (*Loi sur la modernisation du marché du travail*, 25 June 2008). It created an intermediate type of termination procedure for employees, between resigning and dismissal, which allowed access to unemployment insurance payments for employees, while entailing limited obligations for the employer beyond paying the usual severance pay. The individual *rupture conventionnelle* rapidly became one of the most widely used severance procedures in France (totalling 400,000 each year), and the 2017 Order opened the measure to collective redundancies, thus further limiting the application of the *licenciement pour motif économique* with its costly obligations for employers.⁷

The fifth provision is the possibility to modulate short fixed-term contracts (CDD, *Contrats à durée déterminée*,) by branch agreements. The legal obligations associated with this type of contract are strong in France, with limited duration, meaningful termination payments and with rules prohibiting immediate renewals, in order to put pressure on contractors towards adopting an open-ended contract (CDI, *contrat à durée indéterminée*). Following the 2017 Orders, branch agreements may specify longer periods for CDD contracts and allow some renewals.

The sixth provision is more technical and relates also to fixed-term employment contracts. The Macron Orders created an intermediate contract between a CDD and a CDI: the *CDI de projet* (an open-ended project-based contract). Such a contract can be concluded in case of a specific business or development project, for the entire length of the project. It avoids the problem of renewing several CDDs of shorter duration to cover the staffing needs for a given project.

The last change favouring flexibility has also satisfied an insistent demand of French employers, namely strongly limiting the scope and cost of the *Compte de pénibilité*. It has been re-named *Compte Professionnel de Prévention* since 2018, covering fewer situations and providing less compensatory advantages for the workers concerned.

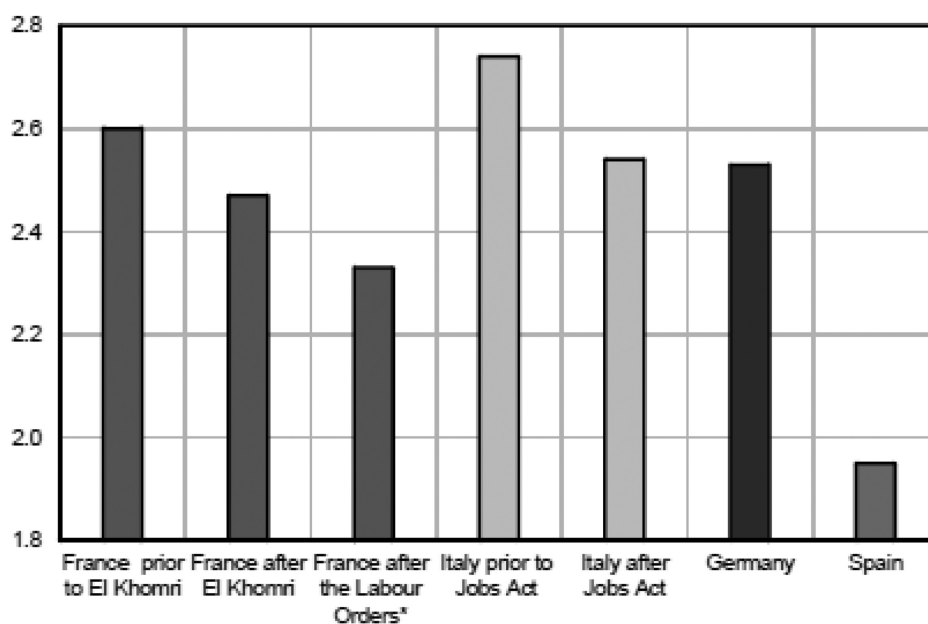
On the side of security, only two main elements may be mentioned and their importance is quite limited. The first aims partly at compensating the reform of the *Prud'hommes* (Labour Tribunals), and concerns legal redundancy payments in the case of *licenciement* (redundancy). The Orders increase payments and set a unified scale proportionate to the duration of previous employment. The *indemnités légales de licenciement* are thus set at one-quarter of the monthly wage for each year of seniority, up to ten years' seniority (previously they were set at one-fifth of the monthly wage), and beyond ten years they become one-third of the monthly wage (as before). The second security element creates a new category of workers'

⁷ The *Rupture Conventionnelle* has been strongly criticized by the French economist and Nobel Laureate Jean Tirole, who wrote that it was 'dysfunctional' because the financing of the compensating measures (securing workers' transitions) is completely left to the State, while the firms dismissing workers pay nothing. In his view, this constitutes an unjustified rent-sharing system (Tirole Jean 2019, «Les vérités de Jean Tirole sur le chômage de masse», *Challenges* 46–49 (9 Feb. 2019) (interview by Vincent Beaufils)). The employers welcomed the measure while the unions tolerated it because it provides important security safeguards for dismissed workers.

representative in the case of an absence of union representatives, notably in Small and Medium-sized Enterprises (SMEs. An elected ‘mandated employee’ (*Salarié mandaté*) may negotiate instead of unions. This measure aims at stimulating negotiations at local level.

When considering both Acts together, it seems quite justified that the second has been termed *Loi Travail 2* (which implies considering the El Khomri Act of 2016 as the *Loi Travail 1*). The second Act prolongs the first, and intensifies efforts towards a less-regulated labour market through the weakening of employment protection legislation (EPL). This is apparent in the OECD index of one of the three components of the EPL (the other two measuring the intensity of the regulation concerning collective dismissals and short-term contracts).

Chart 2 Permanent Employment Protection Legislation against Individual Dismissal: OECD index for four EU countries, 2013 – 2017



* Orders of 22 September to bolster labour-management dialogue

Source: Final OCED data published for Germany (2013), and Spain (2013) and France prior to EL Khomri (2013), Italy prior to Jobs Act (2014), Italy after Jobs

Act (2015). DG Tresor estimates for data concerning France after El Khomri (2016) and France after the Labour Orders (2017).

The chart 2 shows that the French EPL index regarding individual dismissals has been lowered progressively and in 2017 was lower than that of Germany.

3.2 A MORE SIGNIFICANT CHANGE FOR LIFELONG LEARNING AND APPRENTICESHIPS

In 2018, the French system of vocational training was still based on the 1971 Delors Act. In a context of rapid growth with a weak apprenticeship system, the priority at the time was to rapidly integrate numerous low-skilled workers into the labour market and to train them not only ‘on the job’ but also in a more formal and intensive way. The Delors Act set up a ‘pay, negotiate and train’ system: it created mandatory payments by firms (around 1 to 2% of the wage bill) to branch-level bipartite organizations for collecting funds (OPCA, *Organismes Paritaires de Collecte Agrégés*). Subsequently, firms could use these funds through training schemes (*Plans de formation*), often drawn up with the help of the OPCAs and negotiated with the unions at company level. In most cases large firms spent much more than the legal obligation, while SMEs benefitted from additional resources and counselling.

The system progressively attracted many criticisms. It had been designed and implemented with the objective of compensating for the weaknesses of initial education in France and providing, so to speak, a ‘second chance’ to young workers arriving on the labour market without vocational skills. But as the general level of education, along with the technical and vocational content of initial education, employers concentrated more and more on short adaptive training for already-skilled workers. After 1974, unemployment rose too, allowing firms to recruit mainly workers with some form of more advanced education qualification and to reject low-skilled workers. The Delors system progressively lost its main justifications, and appeared as a complex process, constraining firms’ choices in training and retraining with little gain, if any, for less-skilled workers. In addition, the mechanisms for collecting and spending funds were criticized as being opaque and giving rents to the unions involved in their management.

Numerous reforms of this system were voted and implemented between 1971 and 2018, but without changing its basic logic. They limited the number of OPCAs and improved control over their spending. Regarding the problem of the insufficient access of low-skilled workers to training and retraining, many initiatives were taken, including the setting up of certification bodies and of individual training and training leave rights. Set up in 1984, the Individual Training Leave scheme (*Congé Individuel de Formation*, CIF) gives priority to an

individual's needs and plans: an employer could only delay but not turn down a CIF agreed upon and funded by an OPCA. It allows intensive and long-term training and makes it possible for people to change careers entirely, often leading the worker to quit her/his initial job/firm. The Individual Right to Training (*Droit individuel de Formation*, DIF) dates back to 2004 and complements the CIF. These rights are much more modest and can be progressively accumulated by a worker over five years, until they reach a ceiling. When funds are used in a (re)training project, they can be complemented by an additional funding contribution (*abandonment*) from the OPCA. In 2015, the DIF was turned into an individual training account: the Personal Training Account, (*Compte Personnel de Formation*, CPF) and formed the main basis of the wider Personal Activity Account (*Compte Personnel d'Activité*, CPA) set up by the 2016 El Khomri Act (see above).

All these changes were perceived as insufficient by Emmanuel Macron and his counsellors, who called for a 'big bang' radically altering the philosophy and practical functioning of the existing system. Their reform was enacted by the Loi n° 2018-771 of the 5 September 2018 *Pour la liberté de choisir son avenir professionnel*. The basic principle of the 2018 Act is to switch from a system centred on firms' initiatives and obligations to a system leaving them largely free to choose their training investments, with limited payment obligations to an OPCA, and centred on individual initiatives and a more deregulated market of training courses. The Act set up France Compétences, a quadripartite body controlling vocational diplomas through 'certification' procedures and organizing the market of training courses in order to ensure fair competition between training providers. It will also set price benchmarks and recommendations.

Individual training rights will henceforth be expressed not in hours but in monetary terms, and accumulated in individual accounts managed by the Caisse des Dépôts et Consignations, a two-hundred year old public bank.⁸ The OPCAs will be concentrated into ten or eleven OPCOs (*Opérateurs de Compétences*), and their core activity will be devoted to labelling courses and counselling for firms and individuals. The big challenge of accompanying individual workers in their initiatives should be faced by a network of career guidance counsellors and the implementation of a generalized right to counselling.

Regarding the apprenticeship system, it will also be more open to competition. Its financing will be decided according to projects and contracts concluded with the OPCO. A national equalization system will be set, and managed by France Compétences. All the taxes levied on firms for the financing of vocational

⁸ Specializing in the management and allocation of public funds for municipalities and public works, the Caisse des Dépôts et Consignations was set up in 1816.

training and retraining will be merged into a single tax equal to 1% of the wage bill for all firms with more than ten employees, and 0.55% for smaller firms.

At the end of 2018, the reform had not yet been implemented, and many key practical decisions remain to be taken. As it intends to decentralize the management of vocational training radically, considerable attention is paid to the quality of evaluation and certification, by a centralized body. Its overall philosophy is clearly to bet on the market and on individual initiatives.

In order to conclude this brief overview of recent labour market reforms enacted in France between 2016 and 2018, another key component of labour market institutions needs to be addressed, which was still waiting for reform at the end of 2018, namely France's unemployment insurance. In 2009, a key reform created Pôle Emploi, a public employment agency also responsible for paying out unemployment benefit. It is formally tripartite but strongly dominated by the State, and provides a new institutional framework which will probably be maintained. In particular, Pôle Emploi unified the management of 'passive' measures for the unemployed (i.e. benefit payments), and 'active' measures (placement activities through information networks of job vacancies, counselling jobseekers, training opportunities and controlling job search efforts). Among the issues that may come up in the forthcoming reform of unemployment insurance, the introduction of a 'bonus-malus' system needs mentioning. It will: (1) aim at discouraging firms from making excessive use of short contracts; (2) cap maximum benefits; (3) give some (limited) rights to unemployment benefits to workers who choose to quit their jobs, as well as to independent workers; and (4) strengthen the connection between 'active' and 'passive' measures.

Taking the 2016–2018 reform cycle together with forthcoming developments in 2019, we can see that the security dimension has not been neglected by the Macron government. This can mainly be found not in the Macron Orders themselves, but in other Acts and programmes, and corresponds to improved individual protection. This is based on: first, the implementation of the El Khomri measures such as the *Compte Personnel d'Activité*; second, the 2018 reform of lifelong learning and the massive investment efforts in the training and retraining of the unemployed and disadvantaged youth (*Plan d'Investissement dans les Compétences 2018–2022*); and lastly, probably some aspects of the reform of the unemployment insurance to be implemented in 2019.

4 THE PROSPECTS FOR JOBS GIVEN SLOW GROWTH AND LABOUR MARKET FLEXIBILITY

In order to discuss the meaning of the French labour market reform efforts at the end of the second decade of this century, the analysis will now proceed in three

steps. The first will be devoted to a brief comparison with the German reform cycle, the so-called Hartz reforms (2002–2005), that are similar in terms of procedural and symbolic aspects but also display key differences in terms of content. The second will introduce a summary presentation of the main options available when a European government or political party considers reforming labour market rules and institutions in the context of globalization, and will situate the orientations of the *flexicurité à la française* in such a framework. The third and final step will address the most serious challenge currently facing European labour markets, namely persistent low growth, and outline the constraints and consequences for policy-makers and citizens.

4.1 A COMPARISON WITH THE HARTZ REFORMS IN GERMANY

‘Painful but successful’ appears to be the assessment to emerge from the German labour market reforms elaborated and implemented by the German government of Chancellor Schröder in 2002–2005 (for a balanced presentation and assessment, see Leschke Janine and al. 2007⁹). The government started by setting up a commission presided by the (at the time) popular and consensual Human Resources Manager of Volkswagen, Franz Hartz. The Commission comprised members of the government, representatives of the social partners and experts. Yet in 2005, in a move similar to the evolution of French situation discussed above, the government acted alone: the German unions had left the Commission, increasingly disapproving of its deregulatory drive. As in France ten years later, the areas under scrutiny taken as possible objects of negotiation and change were many and varied.

That said, the lists of issues differ strongly. On the German side, three main areas can be pinpointed.¹⁰ First, the creation of the Personal Service Agency (PSA) aimed at institutionalizing temporary employment as a regular labour market policy measure. The Hartz legislation required each labour office to sign a contract with at least one temporary work agency: these external agencies were required to place the unemployed persons assigned to them by the labour office. This measure was presented as the core of the Hartz reform but only a relatively small number of unemployed persons (around 150,000) were actually placed in work through this channel.

⁹ Janine Leschke, Günther Schmid & Dorit Griga, *On the Marriage of Flexibility and Security: Lessons from the Hartz Reforms in Germany*, in *Flexicurity and Beyond. Finding a New Agenda for the European Social Model* 335–65 (Jørgensen Henning & Madsen Per Kongshøj eds, Copenhagen: DJoF Publishing 2007).

¹⁰ *Ibid.*

Second, the reforms created *Arbeitslosengeld II* which replaced several unemployment benefits for the long-term unemployed, and is awarded in the case of insufficient contribution records, and when claims to the regular unemployment insurance (*Arbeitslosengeld I*) have expired. This benefit became the last-resort safety net for many unemployed and low-income persons in Germany, and quickly benefitted six million persons. The basic payment was comparable to France's Minimum Income (*Revenu de Solidarité Active*, RSA): a little less than EUR 500 per month for a single person, which can be supplemented in both countries by a housing allowance. However, in France there are only two million RSA recipients.

Last, the third main outcome of the Hartz reforms was the creation of the *Mini* and *Midi-Jobs*: jobs with limited weekly hours, reduced social contributions, and limited rights to health insurance and pensions. The most important and symbolic measure was the creation of *Ich-AG* (Myself Limited) jobs, subsidizing self-employed jobs for three years, provided that the yearly income they bring does not exceed EUR 25,000. It was hoped that such a category of jobs would act as stepping stones towards regular employment.

All in all, these German reforms dealt with the generalization and simplification of unemployment benefits, with the 'activation' of the unemployed, and with employment regulation and subsidies easing the growth of *marginal* jobs. For a detailed assessment of German institutions and efforts promoting full employment and social inclusion, see Schmid 2019 in this issue. Leaving aside the reform of unemployment insurance, which was still pending at the beginning of 2019 (see above), radical contrasts may be observed between the German and French reforms cycles. In France, the 2016–2018 reforms mainly affect *the core* of central protected jobs, with the intention of flexibilizing them, by easing dismissal rules, limiting litigation, decentralizing bargaining, and so on. The French reforms do not intend to encourage marginal jobs, probably because this has been already done. For example, the *auto-entrepreneur* status created in 2009 resembles the *Ich-AG* status but has not been subsidized. In addition, as already noted, there has been an explosion of very short-term contracts in France.

Given the persistence of high unemployment during the 2010s in France, all these changes have seemingly been perceived as insufficient and possibly irrelevant by French governments, either of the centre-left or the centre-right. As a consequence, the recent French reforms go further in the drive for flexibility, while the efforts to promote security each year seem much more modest and delayed. We could term these reforms 'flex-flex-security' as they include many more flexibilization measures which are immediately implemented, than security

measures, whose implementation is often left to a better future because they involve costs for companies and the public purse.

There is a certain irony here in as far as French efforts have all been decided in order to placate the German partners in the EU, because France continues to make slow progress in another respect: the fight for the reduction of the public deficit.

I will return below (4.3.) to explanations for the German success in reducing unemployment after 2005 and the persistent challenges for France.

4.2 REFORMING LABOUR MARKETS: FOUR AGENDAS

The second step in this analysis is to situate flexicurity reforms in the EU in a wider perspective. Ten years ago, Peter Auer and I¹¹ sought to answer two questions. The first concerns the very nature of flexicurity: Is it a theory? A strategy? Or something else? And the second question concerns what the other options available are. We proposed to present flexicurity as a policy agenda, i.e. a set of intertwined arguments leading to a bundle of policy measures. As such, an agenda is not a theory. It depends on one or several theories, but its arguments should be situated at an intermediate level between theory and concrete application. In fact, an agenda rationalizes a set of reasons justifying a broad policy orientation. This perspective makes possible situations where several agendas depend on the same theory, and one agenda depends on several theories; and situations where several policy measures are included in one agenda, while the same measure can be part of several agendas. Given a plurality of reasons and an overlapping of outcomes, flexicurity policies seem to fall into the realm of policy agendas, as well as being goals of policy-makers who may adhere to various agendas for very different reasons.

This definition, which is equivocal, makes it possible to identify at least four agendas, more or less overlapping, regarding labour market reforms. Two polar agendas can be identified, flexicurity being in an intermediate position with another, fourth agenda. The first one is the agenda of flexibilization. Promoted by the International Monetary Fund (IMF)¹² and with some caveats by the OECD,¹³ flexibilization had been the dominant agenda since the 1990s, and remained so until the 2008 world crisis. It simply highlights the constraints stemming from globalization and the need for adapting every country's

¹¹ Peter Auer & Bernard Gazier, *Flexicurity as a Policy Agenda*, 6(4) CESifo DICE Report 3–8 (2008).

¹² IMF, *World Economic Outlook, chapter 4: Unemployment and Labor Market Institutions: Why Reforms Pay off* (IMF 2004).

¹³ OECD, *The OECD Job Strategy* (Paris: OECD); OECD, *Employment Outlook* (Paris: OECD 2006).

institutions to them. However, this adaptation is not straightforward. The central adjustment process should be done through prices because they are signals perceived by every actor and they may change very quickly. If this is not possible or too slow (as is the case with wages, which often adjust slowly and are 'sticky'), price adjustments should be replaced by quantity adjustments. The main one is the ability of firms to dismiss employees whenever they feel it useful to do so. We find here the main rationale for criticizing excessive levels of EPL. But such a channel is only a second best. In this logic, flexibility is a goal in itself: painful in the short term (because it generates wage cuts and unemployment) but rewarding in the long term (because it is reasonable to expect more jobs beyond the immediate losses). This agenda is compelling but also potentially complex, and its social support depends on its ability to get back to acceptable levels of wages and employment.

It has always been opposed by other actors directly concerned by the situation and the 'capabilities' real people have, either in the labour market or around it. The relevance of flexibilization will be nil if it gives rise to significant groups of persons who are permanently ill-fed, ill-housed, poorly-educated and excluded from an active social life. This opposing agenda may be termed the Decent Work agenda, following the expression coined by the International Labour Office (ILO) at the turn of the century.¹⁴ This agenda can be mainly conceived of as a protest agenda, because by itself it does not imply economic consequences regarding adaptation to globalization. It simply focuses on people's needs and on the way of satisfying them, at least up to a threshold allowing them to lead a normal social life: a minimum wage, employment security, institutions or bodies acting as employers of last resort, and so on. Clearly, many contributions from the ILO and elsewhere attempt to fill the gap with explicit economic and especially macroeconomic proposals (e.g. Chatani and Islam (eds) 2016¹⁵). But the main theoretical inspiration here is Amartya Sen's theory of justice,¹⁶ which does not deal with these concerns and focuses on individuals' 'capabilities': i.e. the ability to lead a normal life. It should be noted that Decent Work is not necessarily a left-wing agenda. Some quite conservative social workers or policy-makers, for example, may set the priorities of decent work ahead of any flexibilizing reform, and ask for significant protections and compensations.

This leads to intermediate agendas, which can be understood as compromises between flexibilization and decent work. One finds here *flexicurity*. In one of the main

¹⁴ ILO, *Decent Work* (Geneva: International Labour Office 1999).

¹⁵ *Employment Targeting. Macroeconomic and Sectoral Approaches* (Kazutoshi Chatani & Iyanatul Islam eds, Geneva: ILO 2016).

¹⁶ Amartya Sen, *The Idea of Justice* (London: Penguin 2009).

documents presenting and justifying flexicurity,¹⁷ it consists of a negotiated exchange of selected measures aiming at increasing flexibility (in favour of firms), offset by measures aimed at improving security (in favour of workers) within a context of adapting to globalization. Proposed measures may vary according to the economic and societal context of EU Member States. The negotiation should involve governments and social partners in order to take into account all the interests concerned. The main idea here is to protect persons, not jobs. However, the agenda suffers from one key weakness. If one has to exchange flexibility against security, what should be the metric? The way bargaining processes can be organized and how the outcomes are evaluated was left to the actors concerned. Before the 2008 world crisis, this agenda gained wide and sometimes enthusiastic support. With the crisis, it attracted severe criticism, especially because the crisis showed the direct danger of flexibility (e.g. in the financial markets); it was rejected in 2009 by unions at the EU level and has been largely set aside since by the European Commission. The continued reference by French governments to flexicurity in 2016–2018 is thus isolated but all the more remarkable.

One final agenda, until now less well-known, can be introduced here: the agenda of ‘protected transitions’, grounded in the transitional labour markets (TLMs) perspective¹⁸ (Schmid and Gazier (eds) 2002; Rogowski (ed.) 2008; and Schmid 2017). There is insufficient space here to examine this topic in detail.¹⁹ This agenda can be situated between flexicurity and decent work, and is inspired by Amartya Sen but also by more economic research, centred on the need to create new mobility protection inside firms as well as in the labour market. It provides a metric, allowing more flexibility and additional security to be created and to be better balanced, namely the quality of transitions and positions in the labour market. The perspective here is to ‘fit people to the market’ and to ‘fit the market to people’; creating the institutions and opportunities ensuring a path towards full and inclusive employment.

Four main differences allow this agenda to be distinguished from flexicurity. First, its aim is to establish renewed collective controls over the labour market, in order to ‘re-embed’ it, not just to take as a matter of fact the existing balance between demands for flexibility and security by the social partners. Second, it aims at rebalancing the power within firms and in the labour market in favour of workers, through co-determination rights (as implemented in Germany or Sweden) and through public employer-of-last-

¹⁷ Ton Wilthagen et al., *Flexicurity Pathways: Turning Hurdles into Stepping Stones*, Report by the European Experts Group on Flexicurity, Brussels (2007).

¹⁸ *The Dynamics of Full Employment. Social Integration through Transitional Labour Markets* (Günther Schmid & Bernard Gazier eds, Cheltenham: Edward Elgar 2002); *The European Social Model and Transitional Labour Markets. Law and Policy* (Ralf Rogowski ed., Farnham: Ashgate 2008); Günther Schmid, *Transitional Labour Markets: Theoretical Foundations and Policy Strategies*, The New Palgrave Dictionary of Economics (Palgrave Macmillan 2017).

¹⁹ The author of this article has been involved in the elaboration of TLMs, as has Ralf Rogowski, one of the guest editors of this issue.

resort initiatives for the long-term unemployed. A third difference lies in the promotion of 'decentralized social risk management',²⁰ which consists of rebalancing the individual and collective perception and management of economic risk, through developing preventive social investment as well as favouring individual risk-taking in career management. Lastly, the agenda promotes systemic variety in economic and social organizations, allowing for diversified career options, including careers in France's well-developed non-profit sector. In a nutshell, TLMs aim at integrating a systematic and collective capability approach into labour market adjustments.

The French labour law specialist Alain Supiot²¹ has set out the counterpart of this agenda in legal terms. Working in an independent and parallel way with a panel of European lawyers, Supiot has proposed complementing traditional employment protection with the creation and implementation of a general and unified 'activity status' accompanied by Social Drawing Rights allowing individuals to switch from one job to another and from independent to salaried or even voluntary work.

Put forward since 1995, the agenda of protected transitions was quickly superseded by flexicurity. But flexicurity now attracts widespread hostility, and in the context of difficult and constraining globalization, there remains a persistent need for a more acceptable and accountable compromise.

4.3 TOWARDS A NEW GROWTH REGIME IN DEVELOPED COUNTRIES

From 2012 to 2018, French efforts towards greater flexibility do not seem to have been rewarded. The unemployment rate has remained stubbornly at quite a high level: around 9% of the active workforce.

This leads to the third step of my argument here, namely the importance of connecting labour markets to the overall functioning of the economy, and taking seriously the constraints of slow growth. Let us start with the reasons and counterparts of Germany's success after the Hartz reforms (Germany's unemployment rate quickly went down from 10% to 5% at the end of the 2000s and remained at around 4 to 5% during the 2010s), while France has been unable to shift its unemployment curve decisively.

Two often-neglected factors deserve attention here. The first is a comparison between the German and French performances regarding the evolution of the *volume of jobs* created between 1995 and 2014, and of the volume of *worked hours*.²²

²⁰ Günther Schmid, *Social Risk Management through Transitional Labour Markets*, 4(1) Socio-economic Rev. 1–33 (2006).

²¹ Alain Supiot, *Beyond Employment* (Oxford: Oxford University Press 2001); Alain Supiot, *Et si l'on réformait le droit du travail*, Le Monde diplomatique (Oct. 2017).

²² Jacques Freyssinet, *Quels leviers pour l'emploi ? Débatte du partage du temps de travail tout au long de la vie pour toute la population d'âge actif*, Contribution to France Stratégie, August. Freyssinet's figures are based upon Eurostat series (2016).

During this period, the number of people in jobs increased by 12.5% in Germany and by 15.2% in France. But the number of hours worked increased by only 0.6% in Germany, compared to 5.7% in France. In other countries, the figures were much higher: 29.7% for the number of people in jobs in Spain, 19.1% in the UK.

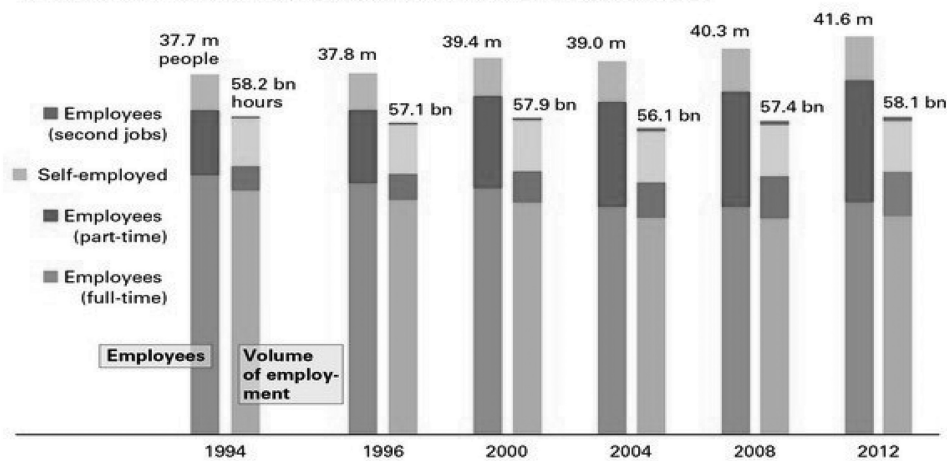
For Germany and France, these figures are typical for a long period of slow growth: a modest increase in the economy’s capacity to generate jobs, and almost no increase in the number of hours worked. The underlying process is quite simple. If the annual rate of growth of Gross Domestic Product (GDP) is 1% and if the rate of growth of the apparent productivity of labour is also around 1% (as has been the case since the 2000s), the slightly improved productive capacity of the workforce will be enough to produce the slight increase of production without generating any demand for additional hours of paid work.

The explanation for a better performance in terms of employment rather than hours in both countries (more jobs created while the number of hours stagnated) is an implicit but an effective job-sharing process, as shown by a second series of facts regarding the decomposition of employment and hours. Chart 3 summarizes the breakdown of jobs and hours in Germany, for selected years between 1994 and 2012.

Chart 3 Germany’s Work-Sharing Process, 1994–2012

More people in employment: fewer hours worked

Changes in the number employed and the volume of employment ...



Source: Institute for Employment Research (IAB) 2013 | © Hans Böckler Foundation 2013

For each selected year, the chart presents two columns: the left-hand column shows (in millions) the number and type of jobs, while the right-hand column shows (in billions) the number of hours worked. In 1994, Germany had 37.7 million people in jobs, and 58.2 billion hours worked. And in 2012 it had 41.6 million people in jobs (having created four million additional jobs) with *fewer* hours worked: 58.1 billion (though we noted above that for 1995–2014, the total hours worked ended up with a small increase of +0.6%). The explanation for these trends is given by the increased number of part-time jobs, in dark grey in each left-hand column: it approximately doubled during the period under review. Put bluntly: the creation of four million additional jobs has been obtained by taking four million existing full-time jobs and transforming them into eight million part-time (or half-time) jobs. This job-sharing process started well before the Hartz reforms but was intensified by them, especially by the creation of *mini-* and *midi-jobs* (see above).

How can this German success and French failure on unemployment be reconciled? The main consideration here is mainly demographic: the German population and workforce reached a peak and began to decrease over this period, while the French population and workforce kept on growing.

Clearly, these elementary observations are just the beginning of the story regarding our present growth regime and not the end. They do not mean that employment in each country is a fixed ‘cake’ or ‘lump sum’ which should be shared out according non-economic considerations. They should not lead to neglecting productivity and competitiveness. But they do mean that some job-sharing processes do occur in the context of slow growth and that it would be of the utmost importance to identify and control them collectively. The counterpart of the German ‘jobs miracle’ is that it has been accompanied by a very high number of low paid and precarious jobs, while the French failure has mainly been accompanied by a mix of social exclusion of the unemployed – and quite a large number of precarious jobs too.

Slow growth is probably here to stay. Not only because the EU is facing more and more intense global competition, but also because rapid growth would definitively damage the planet, unless we switch to a more environmentally-friendly growth regime. This will take time. So an additional objective should be given to reforms of the labour market: to ‘equip them’ with institutions able to manage work opportunities in a socially acceptable and efficient way.

A well-known example of such institutions is the Danish Job Rotation scheme. Implemented twice (1995–2000 and 2008–2012), the scheme placed employed workers on leave (mainly training leave) and replaced them by previously trained unemployed persons. The outcome is a lifelong work-sharing process, flexible and negotiated, helping low-skilled workers to improve their

competences and providing them with work experience. While no panacea (the scheme is complex and costly to implement), this initiative casts light on what is lacking in the current reforms of the labour markets in France²³ and in most of the EU countries: inclusive proposals connected to changes in production and skills.

We find here again the TLM perspective – the fourth agenda above – which has been set aside by the temporary and controversial success of flexicurity. Inspired by practices implemented in the Nordic countries but also in Austria (e.g. in the case of restructuring, the Job Councils in Sweden and the Work Foundations in Austria²⁴), TLM reforms intend to build protected mobilities while easing an economy's adaptation to the new conditions of competitiveness and growth. This is done through the collective and negotiated management of labour market transitions. Even if the TLM agenda was not elaborated with the ecological challenge and the slow growth scenario in mind, it has proved compatible with them and even more so: contributing to ensuring economic and social sustainability in such a context. But this agenda is demanding in terms of the decentralized coordination of actors, and the probability of its adoption remains weak.

5 CONCLUDING REMARKS: *FLEXICURITÉ À LA FRANÇAISE* AS A LONG-LASTING EFFORT FACING TOO MANY CONSTRAINTS

I have shown here the rationale and content of French labour market reforms. All in all, they seem characterized by a progressively and increasingly painful effort towards more and more labour market deregulation, with few compensatory measures. This reflects the constraints of slow growth and EU rules of the game, as well as the belief of France's governing elites in the positive effects of more market-oriented mechanisms.

What is striking during the entire process under review is the weak role played by serious and overall evaluation. Once enacted, each reform has led to the next, with no time left for evaluation and even implementation.

The risk that French governments will now face is a possible vicious circle between the limited success, if any, of flexibilizing measures and a commitment to reinforce them even more, combined with more authoritarian management of unemployed persons and trainees who are pushed towards the acceptance of unstable and ill-paid jobs: a switch from 'learnfare' to 'workfare'.

²³ Bernard Gazier, *Jalons pour un partage du travail tout au long de la vie*, Contribution to France Stratégie (Aug. 2016).

²⁴ Borghouts – van de Pas Irmgard 2012, *Securing Job-to-job Transitions in the Labour Market* (Nijmegen: Wolf Legal Publishers 2012).

Post-Scriptum: France, December 2018, and a Possible New Swing of the Pendulum

This text was written at the end of 2018. In France, the December 2018 riots of the ‘yellow vests’ can be interpreted as a protest movement against globalization, taxes and the very person and style of Emmanuel Macron. Quite surprisingly, the main demands of the yellow vests do not concern unemployment. These protests have come from integrated but impoverished persons, ‘working poor’ living in peripheral areas (far away from cities and even suburbs), and who feel despised by France’s governing metropolitan elites. Their main demands do not concern the labour market but focus on alleviating taxes and lowering the price of petrol. There is only one but important exception: the demand for a substantial increase in the minimum wage. Even if their focus is wider, these demands can be interpreted as close to the logic of the Decent Work agenda. The yellow vests typically insist on the need for preserving decent living conditions and they bring together actors with very different and even opposed policy orientations, from the far right to the extreme left. So, as at the beginning of the 2008 world crisis, the pendulum may be swinging from flexibility pressures to Decent Work demands.

Will this movement and its consequences be durable? At the beginning of 2019 it is too early to gauge the changes in French policy elicited by this revolt and President Macron clearly intends to stick to the overall direction of his reform programme. But it seems that the restrictive and quite unilateral logic of *flexicurité à la française* has been massively rejected. Maybe such an evolution will ease the way towards more protected and negotiated mobilities?