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Public service trade unions – Effective intervention in the European Semester

Case study: France

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PLAN

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I. Context (1)

1.1 Political, economic and social context

□ Political

- Reshaping of the political landscape and greater fragmentation of political parties.
- Majority in Parliament but poorly represented in the Senate and local government assemblies.

□ The economy

- Late exit from the economic crisis.
- Structural challenges: high structural unemployment, low competitiveness and high debt levels of public and private administrations.
- Closure of the excessive deficit procedure opened in 2009 in 2018, but France remains under surveillance.

□ The social situation

- Ambitious reform programme to meet France's structural challenges and strengthen the economy's resilience: labour market and tax reforms.
- Reforms implemented by ordinances rather than legislation but change of approach following the "yellow vests".

I. Context (2)

1.2 Main characteristics of social dialogue

- Tense industrial relations, with opposition between trade unions and employers and strong involvement of the State and the courts.
- French paradox: low unionisation rate (11.2% in 2016) but strong presence in the workplace and considerable expansion of collective agreements.
- Collective bargaining mainly at sectoral level. Central agreements concluded at industry level, generally extended by the Ministry of Labour.
- Representativity criteria: 10% of votes in the workplace, 8% at sectoral level. 5 rival confederations representative at the national intersectoral level: CFDT, FO, CGT, CFE-CGC, CFTC.
- Public sector:
 - higher unionization rate (19.8% in 2016 compared to 8.7% in the private sector).
 - 10 representative unions: CGT, CFDT, FO, FSU, UNSA, Solidaires, CFTC, CGC, FA-FP, FGAF.

I. Context (3)

1.3 The European Semester and public services

- Main points in the Country Specific Recommendations (CSRs) addressed to France since 2011:
 - Reduction of budgetary spending, cost/efficiency approach of public services
 - Simplification of administration to alleviate burden on enterprises and citizens
 - Modernisation of public services (digitalisation, management, ...)
 - Reduction of the administrative burden on businesses (“smart regulation”)
 - Removal of barriers to competition in sectors (services)
 - Reduction/simplification of tax systems
 - Increasing of labour market participation
 - Reform of apprenticeship and vocational training, lifelong learning
 - Participation in tertiary education
 - Early school leavers
 - Tackling inequalities in access to education and labour market outcomes.
- More recent recommendations: broadly the same orientations, although still strongly focused on issues related to the sustainability/reduction of public spending.

- Structural reform processes following the CSRs leading to tensions between the social partners and with the State. Numerous protests, trade union or civil society (yellow vest movement):
 - "Modernization" of public administration: "Public Action 2022" programme aimed at overhauling public policies and administrations, provoking strong opposition from trade unions.
 - Redesign of the territorial dimension of governance, with greater decentralisation of competences and financial and human resources.
 - Pension reform
 - Labour market reform divided into 5 ordinances introducing several provisions: the facilitation of economic redundancies, the beginning of a reversal of the hierarchy of agreements in favour of social dialogue, company referendums.
 - Reform of the health and education systems: fear of trade unions in these sectors in view of the budgetary restraint approach promoted by the ES.
 - Reform of the apprenticeship system to increase youth participation and better meet the needs of businesses.
 - Reform of the SNCF

I Context (4)

1.4 The European Semester and Trade Unions

❑ Access channels

- At national level: CESE, CDSEI, ministries.
- At European level: direct contacts with the European Commission, bilateral relations with ESOs or other Commission services.

❑ Importance of the Semester

- **CFDT**: the process gives an overview of the reforms and economic policies carried out and allows us to express our positions and make them known to the European authorities.
- **FO**: the Semester influences the way national economic and social policies are conducted. "it is therefore essential that our organization be involved in the process of anticipation, analysis, contestation, request".
- **CGT**: the European Semester is not important but it should be (sort of a roadmap).

❑ Attitude of trade unions to the European Semester

- **CFDT**: the willingness to coordinate economic policies is perceived positively, but the process is too compartmentalized and undemocratic.
- **FO**: negative because the ES is associated with budgetary rigour and austerity, but participation remains high.
- **CGT**: distrustful of a Europe that struggles to take on a real social dimension and does not listen to it.

❑ Use of the messages of the European Semester

- **CGT:** no use because the European semester is too confidential, not very visible and not a priority
- **CFDT:** European and national activities are mutually beneficial. Progress made at national level feeds into proposals at European level (see personal activity account) and European directives are used to formulate certain requests (see recommendations for the development of learning)
- **FO:** the debate on social issues is organised at national level. Reports or recommendations from the European Semester are rarely used.

❑ Influence of trade union organisations on the key documents: very limited

- **CFDT:** "It is undoubtedly on the NRP that we have the most influence, but above all through our daily action prior to the reforms carried out in our country, not within the framework of the Semester in which we limit ourselves rather to transmitting the points of agreement and disagreement".
- **CGT:** extremely limited influence on the process at all stages.
- **FO:** the stronger involvement of trade unions in the Semester has sometimes made it possible to modify the content of the recommendations: "Thus, the greater emphasis on the social dimension, the absence of mention of the minimum wage and its method of revaluation in the 2019 recommendations that we have been calling for years".

II. The European Semester: 2018-2019 cycle

2.1 The Country Report 2019

❑ Assessment of France's progress

- **Substantial progress** in pursuing the reform of vocational education and training, while there has been some progress in moderating developments in the minimum wage; simplifying the tax system; and reducing red tape.
- **Limited progress** in various areas including reforming the pension system; improving access and equal opportunities in the job market; increasing competition in services; and increasing efficiency of the innovation system.
- **No progress** has been achieved in further developing and implementing a spending review through the Public Action 2022 programme.

❑ Good results for most of the indicators in the social Scoreboard supporting EPSR

- The social protection system is effective in reducing poverty and access to and quality of services are good. Social transfers reduce monetary poverty and limit material deprivation.
- But access to the labour market remains a challenge, in particular for disadvantaged groups, and pockets of poverty persist for some groups of the population.

❏ Involvement of trade unions

▪ Before the publication of the country report

- Fact-finding mission organised on 7 November 2018. Invitations sent to the social partners at confederal level by email on 2 October 2018.
- Pre-submission of a questionnaire covering various areas. Only the CDFT replied to the questionnaire, but representatives of the CFDT, FO, CFE-CGC attended the meeting on 7 November 2018.

▪ After the publication of the country report: 3 events organised by the Commission

- Public presentation in Paris, 27 February 2019.
- Information session on the EC guidelines for investment in the framework of cohesion policy, formulated in the 2019 country report on France, 14 March 2019.
- A conference assessing the situation in France and the challenges it faces in terms of economic reforms, 15 March 2019.

▪ Trade union reactions: press releases

- FO press release on 1 March 2019

2.2 The National Reform Programme 2019

❑ 4 main priorities, many objectives

- **Rebuilding the French social model to build a more just society.** Access to employment and the upgrading of work are a priority, by reforming the labour market and reducing charges, upgrading labour incomes, and modernising unemployment insurance and pension systems.
- **Unleashing the full potential of the French economy,** by simplifying business standards, reducing taxation to support investment and innovation, while improving its equity for both companies and citizens, and creating an attractive environment for companies to strengthen their competitiveness.
- **Bringing out the growth model of tomorrow,** by investing in and supporting citizens in the ecological transition, by investing in disruptive innovations and technological progress, and by strengthening the education and skills acquisition system.
- **Transforming the State to improve the efficiency of the public service and contribute to the recovery of public finances, while improving the quality of service provided to all users.**

❑ Trade union involvement: double consultation

- **Hearings** with representatives of civil society, social partners and local and regional authorities to discuss a document sent at least one week before the hearing:
 - 20 February and 11 March 2019 with the Economic, Social and Environmental Council (CESE) (civil society and social partners, local and regional authorities).
 - 12 March 2019 with the Committee for European and International Social Dialogue (CDSEI) (social partners).
- Each stakeholder was invited to submit a **written contribution** annexed to the NRP: in 2019, 10 written contributions were annexed to the NRP, including from the CESE, CFDT, CFTC, CFE-CGC, FO.

2.3 Specific recommendations 2019 (July 9, 2019)

CSR 1: Ensure that the nominal growth rate of net primary expenditure does not exceed 1.2% in 2020, corresponding to an annual structural adjustment of 0.6% of GDP. Use windfalls gains to accelerate the reduction of the general government debt ratio. **Achieve expenditure savings and efficiency gains across all sub-sectors of the government**, including by fully specifying and monitoring the implementation of the concrete measures needed in the **context of Public Action 2022**. Reform the pension system to progressively unify the rules of the different pension regimes, with a view to enhancing their fairness and sustainability.

CSR 2: Foster labour market integration for all jobseekers, ensure equal opportunities with a particular focus on vulnerable groups including people with a migrant background and address skills shortages and mismatches.

CSR 3: Focus investment-related economic policy on research and innovation (while improving the **efficiency of public support schemes**, including knowledge transfer schemes), renewable energy, energy efficiency and interconnections with the rest of the Union, and on digital infrastructure, taking into account territorial disparities.

❑ The involvement of trade union organisations

- According to the unions, there is very little consultation on the country-by-country recommendations before they are adopted by the European Council:
 - However, at the informal EPSCO Council prior to the ECOFIN Council of 9 July 2019, a meeting of the CDSEI was held on the country-specific recommendations and the country report
 - Following the adoption of the CSRs by the Council, the ESO invited the social partners to give their reactions. As of July 12 2019, the CFDT was the only union to have sent a written comment.
 - FO has also issued a written opinion on the specific recommendations for France in the 2018-2019 cycle.

III. Factors in the success and failure of trade union participation

❑ Interaction with European and national authorities (+)

- Greater involvement of ESOs, informing trade unions about ES, organising meetings and workshops with stakeholders at different stages of the ES.
- Regular participation of ESOs or the EC in events organised by the social partners, to share information and their views on ES messages.
- Role of TUSLOs considered positive in interaction with European authorities and ETUC.
- Interaction with the national government, with the Ministry of Labour (via CDSEI) and regular meetings with the Ministry of Economy to discuss specific topics related to the European semester.
- Problem: Informative rather than participatory interaction (-)

❑ Timeliness of interventions (-)

- Short time to prepare ad hoc written or oral contributions to the different stages of the ES.
- Very limited time to consult and react to the different stages of the ES, with a negative impact on the quality of interactions.
- Absence of sectoral input: contributions written in the "European units" of the national confederations.
- Good practice (+): the CESE brought forward its consultations in November 2018 , with a view to contributing fully to the NRP. This helped it to fit in better not only with the NRP but also with the entire European Semester cycle.

❑ Capabilities and resources +/-

- Increasingly intertwined European and national policies leading to a multiplication of places and demands for interaction from trade unions.
- Depending on their capacities, national confederations also organise training and information sessions on the ES.



challenge for cognitive and even financial resources: in the context of social dialogue in the public sector, several large confederations coexist with smaller sectoral confederations, with fewer resources

- Support for understanding and interaction with the ES is provided at European level (ETUC, ETUI) through information/training activities and at sectoral level (EPSU, ETUCE).

❑ **Alliances and collaboration between unions**

- Relations between trade union confederations are more competitive than collaborative: it is difficult to provide a common analysis and consensus positions on areas related to the reforms promoted by the ES.
- This lack of collaboration reflects different perceptions of the usefulness of the consultation process of the Semester:
 - While the CFDT is more willing to participate in the consultation, through several written and oral contributions to the various events organised in the framework of the ES in France, CGT and FO have only recently been convinced of the usefulness of participating.

IV. Recommendations

- Strengthen existing consultation bodies (CESE, CDSEI) to facilitate and generate consensual consultation.
- Provide trade unions with sufficient resources to develop their analytical and research capacities.
- Develop a "culture" of greater interunion collaboration on European issues, allowing for the development of common positions.
- Modify the consultation schedule to allow for informed consultation with the union base and better consideration of sectoral positions.
- The contributions submitted by stakeholders should be the subject of a reaction from the beneficiaries, in order to allow more in-depth discussions on the contentious but also consensual aspects.

Thank you for your attention!

Comments welcomed:

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