

EUROPEAN SEMESTER

Country Case Study: France

Ramón Peña-Casas and Dalila Ghailani, OSE

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1. Context

1.1 The Political, Economic and Social context since the crisis

Political

Since the 1990s, the two main French parties/coalitions have been the Socialist Party, a left-wing and centre-left party, and the Republicans (LR), a right-wing and centre-right party. Representatives of these two parties have alternated in the leading functions of the French Republic, from the Presidency to government ministers, deputies, senators and presidents of regional or general councils. The presidential and legislative elections of 2017 resulted in a radical reshaping of the French political landscape, and particularly a greater fragmentation of political parties. This was first reflected in the elimination from the first round of the candidates of the two parties that had previously held the Presidency of the Republic, and the election of a young candidate who entered into politics without being formerly an active member of a traditional political party. On 7 May 2017, Emmanuel Macron became President of the French Republic, supported by a new political movement, “En Marche”, which was launched in April 2016. The movement takes a centrist line, is pro-Europe and social-liberal, bringing together personalities from the centre-left, centre and centre-right parties as well as from civil society. The Republic on the move! (REM) party then gained the majority in the National Assembly. A new government was established on 15 May 2017, with Edouard Philippe as Prime Minister, and with ministers coming from the centre parties and civil society. The new President and his government announced their willingness to carry out important reforms in France to restore the competitiveness of its economy and to reduce the high unemployment level (Turlan 2018). It is worth noting that this majority in Parliament is still poorly represented in the Senate and the local government assemblies.

Economic

France began to emerge from the economic crisis later than other European countries, and its economy remains fragile due to structural imbalances. After an estimated 2.3% growth in 2017, GDP grew by 1.6% in 2018, supported by robust investment, strong consumption, favourable external conditions and domestic reforms. The IMF forecasts GDP growth of 1.6% for 2019 and 2020, supported by reforms to strengthen the labour market and productivity (IMF 2018). Growth projections have recently been reduced due to the negative impact of the social demonstrations by the yellow vest movement,

industrial action and strikes in the public sector. French public debt (96.7% of GDP) is one of the highest in the euro zone.

France faces structural challenges, including high structural unemployment, low competitiveness and high levels of debt among the public administrations. High unemployment rates, particularly among young people, remain a growing concern for policy makers. Despite its gradual decline, the unemployment rate remains high in 2018 (OECD 2019).

The excessive deficit procedure (corrective arm) opened under the Stability and Growth Pact (SGP) in 2009 was closed in June 2018 (Council of the European Union 2018b). The excessive macro-economic imbalances were the product of continuous deterioration over several years, both of external competitiveness, which has lagged since the mid-2000s, and of public finances, with public debt rising virtually non-stop over the same period. The 2008-09 financial crisis further exacerbated these imbalances. However, in its March 2018 Country report, the European Commission considered that France still suffered from macroeconomic imbalances. In particular, the Commission pointed to the high level of public debt, the moderate recovery in competitiveness and the slowdown in productivity gains (European Commission 2018).

Social situation

As he had announced during his campaign, President Emmanuel Macron launched, shortly after his election, an ambitious reform programme aimed at addressing France's structural challenges and strengthening the resilience of the economy. Consequently, his government has pushed through key labour market and tax reforms aimed at increasing labour market flexibility and better aligning labour costs with productivity, as well as a reform amending the status of the SNCF (state-owned rail transport company). Initially, the focus was on accelerating the implementation of reforms, in particular through a law authorizing their implementation through government ordinances rather than through the traditional legislative process. However, in response to the social movements initiated by trade unions but also by citizens through the "yellow vest" movement, the President and the government have recently changed their initial approach, in order to (re)introduce more consultation with the social partners, civil society and citizens in defining and effectively implementing reforms. It is in this relatively tense context and under the aegis of this government that the European Semester cycles examined in this report have been designed and implemented.

The new government is largely supported by employers' organisations. The first large-scale reform, the labour law reform, responds to long-standing employer demands, such as a limit on the amount of compensation the labour courts can request in the event of unfair dismissal, and the decentralisation of collective bargaining to negotiate flexibilities at company-level. Reactions from the union side have been more mixed: strong opposition from the CGT, which organised demonstrations and strikes against the reform, and criticisms addressed by the four other main trade unions CFDT, CFE-CGC, CFTC and FO (Turlan and Teissier 2019).

1.2 Social dialogue and industrial relations at national level

French industrial relations have always been tense, with a tradition of opposition between trade unions and employers and strong involvement of the state and the courts. French unionism is not geared towards providing services for members but towards working to defend employee interests. The situation may be seen as paradoxical, combining low union density (11.2% in 2016) with a strong presence at workplace level and considerable extension of collective bargaining agreements (above 90%). Despite this paradox, French trade unions have strong support in elections for employee representatives and are able to mobilise large numbers of workers (Pernot 2018).

Collective bargaining in France is predominantly conducted at a sectoral level. Central agreements are concluded between social partners at industry level. Subsequently, social partners frequently apply to the Ministry of Labour for an extension of most provisions of the agreement, which is granted in virtually all cases.

Since the 2008 law on 'social democracy and working time reform', representativeness now depends primarily on the 'electoral audience' rather than affiliation. Therefore, to be representative and able to participate in negotiations, a trade union must win at least 10% of the votes at workplace level, or 8% at sectoral industry level. Five rival TU confederations are 'representative' at national cross-sectoral level (see box 1).

In the public sector, the industrial relations situation is different. The unionisation rate is much higher (19.8% in 2016) than in the private sector (8.7%). According to the typology of industrial relations in the European public sectors, France is classified in the "Rechtstaat" cluster, deriving from Napoleonic and Prussian traditions. This cluster includes Germany and Austria and partly the Benelux countries. Countries in this cluster are characterised by a strong tradition of career civil servants, no or very limited rights to bargain or to strike, medium-high union density, a central wage determination system and a relatively high share of public employment, notably female employment (European Commission 2013).

Collective bargaining is highly centralised and institutionalised in joint bodies where trade union representatives sit opposite representatives of the administration and the minister concerned. Each body of officials has a Joint Administrative Commission elected by a category of staff, which deals with their individual situations (career, mobility, disciplinary problems, etc.). Technical committees, on the other hand, are inter-category and deal with more general issues specific to each administration, in particular the budget, staff, the functioning of services, working conditions and organisation, training policy, etc. Finally, the senior councils on each side and the Common Council of the Public Service are at an inter-professional level and discuss general problems in the public service. Each body therefore corresponds to a more centralised level of aggregation of trade union representation. These representative bodies are

Box 1: Representativeness of French trade unions in cross-sectoral social dialogue (2017)

Democratic Federation of Labour (Confédération française démocratique du travail, CFDT): 30.32% of the votes in 2017 ;

General Confederation of Labour (Confédération générale du travail, CGT): 28.57%

General Confederation of Labour – Force ouvrière (Confédération générale du travail – Force Ouvrière, CGT-FO): 17.93%

French Confederation of Professional and Managerial Staff – General Confederation of Professional and Managerial Staff (Confédération française de l'encadrement – confédération générale des cadres, CFE-CGC): 12.27%

French Christian Workers' Confederation (Confédération française des travailleurs chrétiens, CFTC): 9.49%

Other unions have significant influence but do not yet have representative status at national cross-sectoral level. However, they may well conduct collective bargaining at company level or, if they meet the sectoral threshold in the latest elections. This is notably the case of UNSA (Union of autonomous trade unions) and SUD (Solidarity, Unity, Democracy).

Source: Ministère du Travail de la République Française (2018), Mesure d'audience de la représentativité syndicale 2017.

only consultative. Staff representatives may give an opinion but have no deliberative power or veto.

Table 1 shows the 2018 results of social elections in the 7,021 Technical Committees (left-hand table), and the representation of trade unions in the dedicated representation councils for public services (right-hand table).

Table 1: Results of 2018 votes for Technical committees in public service functions

Share of votes cast (in %)					Seats in dedicated representation councils (in %)				
	State civil service	Local and regional civil service	Hospital public service	Public service as a whole		Higher Council of State Civil Service	Higher Council for Local and regional Civil Service	Higher Council for the Hospital Civil Service	Common Council of the Public Service
CGT	12.1%	28.8%	31.4%	21.8%	CGT	3	7	7	7
CFDT	13.8%	22.6%	24.1%	19.0%	CFDT	3	5	5	6
FO	17.1%	16.1%	24.7%	18.1%	FO	4	4	5	6
UNSA	15.9%	8.2%	5.6%	11.2%	FSU	4	0	0	3
FSU	16.3%	3.8%	0.0%	8.7%	UNSA	4	2	1	3
Solidaires	7.6%	4.0%	8.5%	6.4%	Solidaires	1	1	2	2
Others	6.4%	4.2%	1.9%	4.7%	CFTC	0	0	0	1
FA_FP	1.8%	7.1%	0.5%	3.5%	CGC	1	0	0	1
CGC	6.1%	1.5%	0.6%	3.4%	FA_FP	0	1	0	1
CFTC	2.7%	3.5%	2.4%	2.9%	FGAF	0	0	0	0
FGAF	0.3%	0.3%	0.4%	0.3%					
Total	100.0%	100.0%	100.0%	100.0%	Total	20	20	20	30

Source: Ministère de l'Action et des Comptes Publics, 2018.

1.3 The European Semester and public services

Since the early stages of the ES, notably in the context of the Stability and Growth Pact (SGP) requirements, the recommendations addressed to the French Republic set budgetary limitations on the reforms listed in the ES. France was the object of an 'excessive deficit procedure' (corrective arm) from 2009 to 2018; the procedure has been closed since June 2018, while France remains under surveillance in this context. Reforms related to state action (in the NRPs) mainly emphasised budgetary savings and regulation of spending, as well as the potential contribution to increasing competitiveness and economic growth.

The main points in the CSRs addressed to France since 2011 have been the following:

- 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 addressed to France in the 2016-2017 and 2017-2018 ES cycles follow broadly the same orientations, although still strongly focused on issues related to the sustainability/reduction of public spending (see Annex 1). This is also true for the latest CSRs addressed in 2019 (see section 2.3).

According to the recent assessment by the European Commission, since the start of the ES in 2011, there has been at least “some progress” on 69% of all country-specific recommendations addressed to France. On 31% of these CSRs there has been ‘limited’ or ‘no progress’. Major reforms have been adopted in the field of taxation, as well as measures to improve the functioning of the labour market and the business environment (European Commission 2019).

In the framework of the ES, France has indeed embarked on a process of structural reforms following the stipulations of the CSRs, but which are often the result of past public service reforms already begun before the ES. Each of these reforms has given rise to tensions between social partners and with the State, leading to numerous protests, by trade unions or more widely civil society, as in the so-called “yellow-vest” movement.

The territorial dimension of governance was profoundly redesigned between 2014 and 2017, with a move towards greater decentralization of competences and financial and human resources, achieved through different legal acts (the Law on the modernisation of territorial public action and strengthening of metropolitan cities (‘Maptam’

law) and the Law on the Delimitation of Regions in January 2015, Law on new territorial organisation of the Republic (the 'NOTRe' law) in August 2015). These changes to territorial governance generated considerable tension in and between public services, notably concerning transfers of budgetary and human resources from central to local authorities; the latter gained more competences than before, but their resources are restricted by public spending cuts and monitoring applied by the central authorities, notably to comply with the financial sustainability requirements emphasized in the SGP and the ES. France has begun specific spending reviews aimed at cutting current public expenditure, with a commitment to reduce current public expenditure by three GDP points over the period 2017-22. Several reforms of the tax system have also been implemented, concerning proportional personal income tax, the tax on real estate wealth and the phasing-out of residency tax for middle income households.

The reforms linked to the **'modernisation' of the public administration** engendered strong tensions between trade unions and the State-employer. In October 2017 the French government launched the 'Public Action 2022' programme, designed to perform an ambitious and coordinated overhaul of all public policies and administrations¹. Under this programme, each ministry is expected to submit a transformation plan. A specific inter-ministerial committee is in charge of the programme (Comité interministériel de la transformation publique, CITP). A detailed review of public policies was carried out, to identify possible qualitative improvements but also possible cost-cutting. A preliminary consultation phase on the programme was organised with the social partners and civil society. It highlights several points of divergence with trade unions.

According to trade unions, the text envisages a recasting of the social dialogue bodies in the public sectors, moving towards the model currently existing in the private sector; greater use and 'normalisation' of contract workers, greater individualisation of careers and remuneration, and also measures to promote the mobility of staff, notably from central to regional administrations, in line with in the new territorial governance model. Moreover, the programme formally reinstates the annual spending reviews introduced in 2014, which were officially terminated at the end of 2017. In spite of these divergences, the second CITP meeting of October 2018 confirmed the strategy for transforming public action, while providing more details as to the guiding principles, objectives and areas of intervention. It also endorsed the transformation plans presented by each and every ministry. Consequently, strikes and actions were organised by nearly all the trade unions in the different public sectors. Finally, the government has included the programme in the draft law on the programming of public finances from 2018 to 2022.

¹ The programme sets out objectives to transform the administration in three main areas: improving the quality of public services, providing a modernised working environment for civil servants and controlling public expenditure by optimising resources. Currently, the Public Action 22 programme includes five cross-cutting projects: administrative simplification and improvement of service quality; digital transformation; renovation of the human resources framework; territorial organisation of public services; modernisation of budgetary and accounting management.

Another area in which French trade unions are actively protesting concerns **public transport and the operation of state companies**. The reform of the national railway company (SNCF), which aims to prepare for the opening up of domestic rail passenger transport to competition, is being challenged, given the cuts in public expenditure and the stated aim to improve the quality and availability of public transport throughout France (2018 Mobility orientation law).

The **French pension system** is continuing with a long process of attempted reforms. The reforms are still awaiting tense negotiations with trade unions on issues such as the raising the statutory retirement age and minimum contribution period, or consideration of the arduous nature of tasks. This point is also an important part of the government's plan to massively reduce the numerous special pension schemes (including those for civil servants) in favour of a single scheme, expected to improve transparency, foster labour mobility, reduce management costs, and ensure the long-term financial sustainability of the pension system.

The **labour market reforms** implemented in recent years are all heading in the direction of greater flexibility of work while preserving a certain security for workers, the main principles of the so-called 'flexicurity' approach. The Labour Act of June 2017 reforms the Labour Code along these lines. Obviously, there are considerable tensions between trade unions and the State concerning the content of these reforms, especially in view of the French authorities' choice to proceed by ordinances². In total, the reform is set out in 5 ordinances introducing several provisions: facilitation of economic redundancies, the beginning of a reversal of the hierarchy of agreements in favour of social dialogue, company referendums, etc. To compensate for this greater flexibility, additional rights are given to employees and job seekers: the right to disconnect, a personal activity account (training), easier paid leave, extension of the Youth Guarantee, new unemployment insurance rights opened up to some self-employed workers and to resigning employees, subject to certain conditions. Several reforms were added to these ordinances in 2018: reform of unemployment insurance, but also a reform of the apprenticeship system and a reform of vocational training.

A 2018 law (loi pour la liberté de choisir son avenir professionnel) **reforms the apprenticeship system** to increase take-up by young people and to better meet the needs of companies. This law also reforms the **vocational training system** and aims to strengthen the quality of training by simplifying its funding, to make it more attractive. Moreover, a new training plan (Plan d'investissement dans les compétences) is increasing the funding for access to training for young low-skilled workers and the long-term unemployed. Another 2018 law (loi sur l'orientation et la réussite des étudiants) has launched a general reform to enhance the individualised support and counselling

² The content of the orders was officially presented during a press conference on August 31, 2017. The ordinances were signed by Emmanuel Macron on September 22. On 31 December 2017, the 26 implementing decrees were published in the Official Journal. They cover 117 measures, all of which are applicable from the first day of 2018.

available to students, notably to reduce failure rates during undergraduate university studies.

With the aim of improving equality of opportunities France is also carrying out **reforms of the education and healthcare systems**. Following a 2019 law (loi “Pour une école de la confiance”), education will become compulsory for three-year olds (instead of six-year olds), in order to better address educational inequalities that start building up from an early age. At the primary level, the class size in grade 1 and grade 2 in poor neighbourhoods has been halved, to improve knowledge transmission and reduce socio-educational inequalities by targeting the most vulnerable groups. In the same vein, the 2022 healthcare plan (“Ma Santé 2022”) aims at improving prevention and co-ordination among care providers. This plan also reforms medical studies in order to better tailor the number of doctors to social needs. Moreover, the plan “100% santé” aims to provide access for all to optical, hearing and dental care (OECD 2019; Republic of France 2017, 2018, 2019; Peña-Casas et al 2015; European Commission 2016, 2017, 2018).

Needless to say, for education and healthcare trade unions, as well as for their colleagues in other public sectors, there is an overarching concern: the budget-tightening logic promoted through the ES. The challenge of being constantly asked to do more and better with shrinking human and material resources was mentioned by several of our interviewees.

1.4 The European Semester, trade unions and social dialogue

The **importance of the European Semester** is not denied by either the CFDT or FO, each for their own reasons. For the **CFDT**, the process provides a succinct view of the reforms and economic policies conducted in our country, and prepares fiscal policy. It enables the union to express its positions, on the areas in which it is active, and to make them known to the European authorities. In other words, “*the Semester makes it possible to formalize some of our positions*”. For **FO**, the Semester influences how national economic and social policies are conducted. All fields of social law and social protection are covered, quite apart from the question of the division of shared or exclusive competences between the States and the European institutions. The main structural reforms carried out in recent years (labour market, pensions, unemployment insurance, etc.) have reflected the guidelines given in the country recommendations. Budgetary surveillance influences public budgets (State, local authorities, social protection) and public services, “*it is therefore essential for our organisation to be involved in the process to anticipate, analyse, contest, demand...*”. The perception of the **CGT** is more mixed. The European Semester is not important but it should be: “*it is a roadmap that should help us to position ourselves on a number of issues that are then included in national reforms*”.

The **attitude of trade unions to the European Semester** is mixed. For the **CFDT**, monitoring the Semester is a priority, and its perception of the European Semester is neither completely positive nor completely negative. The desire to coordinate economic policies is perceived positively, but the union is also very critical, as it disagrees with certain general lines of thought. The European Semester exercise is also considered to be excessively compartmentalised, both between the different Directorates-General within the European Commission (DG ECFIN's statements may contradict what is said by DG EMPL), and in the country analysis, as the interactions between the policies promoted by the two DGs in their respective domains are not taken into account. The CFDT also regrets that the procedure is only intergovernmental, without the intervention of the European Parliament. The involvement of the latter in the preparation of the recommendations would allow for a democratic debate at EU level on the economic policy and reform guidelines. The **CGT** mistrusts, it says, Europe, which is struggling to take on a truly social dimension and that does not listen to it. The **FO** perception of the European Semester remains negative, as the process is still associated with budgetary rigour and austerity, which places constraints on public policies and structural reforms, most of which the organisation has challenged. Involvement in the process is however considered as important, because it is a significant and influential link in the economic and social debate.

At national level, the main way in which the French social partners interact with the European Semester process and particularly the NRP is through two different institutions: the Economic, Social and Environmental Council (CESE) and the Committee for Social Dialogue on European and International Affairs (CDSEI).

At the beginning of the consultative process on the content of the draft NRP, the programme is sent to the National Assembly and the Senate for their opinions, at the same time as the adoption of the Stability Programme. Consultations on the draft NRP then take place with the various stakeholders, before its adoption and submission to the European Commission. The CESE organises several hearings to prepare an opinion which reflects the positions of its thematic committees and the various stakeholders, including social partners and local authority assemblies³. The stakeholders are consulted just before the launch of the NRP, which is shortly after the consultations. The Opinion of the CESE and the positions of the stakeholders are then annexed to the final NRP.

Another body in which social partners discuss the NRP is the CDSEI, which falls under the Ministry of Labour. All the trade unions that were interviewed confirmed the role of this body as an important forum for consultation. This committee is made up of representative social partners and the administrations concerned. The CDSEI informs and consults the social partners on the ongoing EU work in the fields of labour, employment,

³ The stakeholder representatives are: the European and International Social Dialogue Committee (CdSel); the National Council for Policies to Combat Poverty and Social Exclusion (CNLe); associations of local and regional authorities; Assembly of French Communities; Assembly of French Departments; Association of Mayors of France and Inter-municipal Presidents; Association of Small French Towns; French Association of the Council of European Municipalities and Regions; Urban France; Regions of France; Villes de France.

vocational training and social affairs. From the Annual Growth Survey to the CSR, the different steps and documents of the European Semester are presented and discussed in CDSEI with the social partners (de la Rosa 2016). A specific meeting of the CDSEI is held to prepare the National Reform Programme. The social partner members of the CDSEI receive the draft NRP project on average a week before the meeting, to allow them to study it beforehand. The CDSEI meeting devoted to the NRP is chaired by the General Secretary for European Affairs. After a presentation of the draft NRP, each of the trade unions and employers' organizations represented are asked to give their views, and a discussion is organized to present their positions and comments. Following this meeting of the CDSEI, the draft NRP is finalized and sent to the European Commission. The social partners are also invited to submit their position in writing so that these can be appended to the NRP⁴. The Ministry of Economic affairs also regularly holds meetings to discuss particular topics in connection with the European Semester, to which the social partners are invited, but no joint interaction with the Ministry of Labour and the Ministry of the Economy is on the agenda (Interview FO).

The channels for interaction with the national government are considered not particularly useful, when just used to exchange ideas. Nevertheless, the consultation on the NRP is more useful, and allows the demands made by TU organisations in response to the national government's political agenda to be transmitted to the European institutions. As pointed out by a CGT official, *"if we want social democracy to apply at European level, we must interact more regularly, be involved in the decision-making process, go beyond the "concertation" phases, to initiate real building phases"*.

In addition to national channels for access, direct interaction also takes place with the European Commission. The European Commission organises regular meetings with the social partners, including during the 'fact-finding missions' prior to the preparation of the Country Report, and after its publication. The fact-finding mission known as the "November mission" is considered as a key moment for meeting with the social partners. On this occasion, the European Commission, via its office in Paris, meets all stakeholders (think tank, ministries, social partners, civil society actors, anti-poverty associations). Some 50 meetings are held over 3 days with members of different Directorates-General, including DG ECFIN and DG EMPL. Trade unions are invited collectively, unlike employers' organizations, which prefer to hold bilateral individual meetings. Prior to the meeting, an invitation and a questionnaire are sent to all trade unions at confederal level. The latter are invited to reply in writing but may also make oral comments at the meeting (Interview ESO).

Bi-lateral meetings can be organised with the European Semester Officers, the country-desk representatives or other Commission services. The European Commission may occasionally send a delegation, in conjunction with the Secretariat General for European Affairs (SGAE), to the French Prime Minister, to exchange views with the social partners, but no exchange session has been held for the 2018-2019 round. At working meetings

⁴ Multilateral Surveillance self-assessment form France, Internal document, October 2017.

on specific themes, held at the Ministry of the Economy in connection with the European Semester, it is possible to exchange views with representatives of the European Commission but these discussions are rather weak (FO).

French trade unions are also active in their respective European organisations, notably through the network of Trade Union Semester liaison officers (TUSLOs) at the European Trade Union Confederation.

The **influence of trade union organisations on the key documents** of the European Semester is viewed differently within the three French trade unions. In the view of the **CFDT**, this influence must be measured over the long term. The Commission's proposals eventually change over time. But it's not enough. *"It is undoubtedly on the NRP that we have the most influence, but above all through our daily upstream action on the reforms carried out in our country, not within the framework of the Semester where we limit ourselves rather to passing on the points of agreement and disagreement"*. The **CGT** sees its influence on the process, at all stages, as extremely limited, which is a shortcoming of the process, amplifying mistrust towards Europe. For **FO**, the stronger involvement of trade unions in the Semester has at times made it possible to alter the content of the recommendations: *"Thus, a greater emphasis on the social dimension, the absence of mention of the minimum wage and its revaluation method in the 2019 recommendations, which we have been calling for years, the appearance of the cost-free dimension of competitiveness, which until recently was only addressed from the angle of labour costs, are all examples"*.

The **use made of the messages of the European Semester** by trade union organisations in their activities varies. The **CGT** does not, it says, use the messages, since the European Semester is too confidential, not very visible, and not a priority; but the **CFDT** has the opposite view. The latter sees European and national activities as mutually beneficial. Progress at national level feeds into proposals at European level (e.g. the Personal Activity Account), and the European guidelines serve as a basis for formulating certain demands (e.g. recommendations for the development of learning). FO shares the views of the CGT: the debate on social issues is mainly organised at national level. The FO rarely uses the reports or recommendations resulting from the European Semester, with one notable exception. During the debates on the "Labour" law in 2016, the recommendation made the previous year on "the need to increase the number of derogations from branch agreements" *was generally adopted, at a time when FO strongly defended the hierarchy of standards in collective agreements. Today, as the pension reform project is taking shape, the Commission, in its recommendations, is accompanying and supporting the plans for systemic reform, which have been initiated nationally.*

1.5 Country performance in relation to the European Pillar of Social Rights

In 2018 France performs relatively well on most of the indicators of the Social Scoreboard accompanying the European Pillar of Social Rights. Overall, the social protection system is effective and shows good results, in the fields of both social protection and health. France also has a low gender employment gap, relatively low-income inequality, and a high share of children in formal childcare. Some issues in the areas of educational inequalities and labour market segmentation require attention. The French educational system faces difficulties in ensuring equal opportunities for the younger generations. The variation in performance due to students' socio-economic status is comparatively high, with young pupils with a migrant background being further penalised. Segmentation, which also tends to be more serious for younger generations, is entrenched in the labour market. The transition rate from temporary to permanent employment is low. The capacity of the latest labour law reforms and of the upcoming reform of the unemployment benefit system to address this challenge is yet to be assessed. Recently, the number of people at risk of poverty and social exclusion has also been rising, although it remains at a relatively low level.

Table 2: Monitoring performance with respect to the European Pillar of Social Rights

Indicators		2018	2019
Equal opportunities and access to the labour market	Early leavers from education and training	Average	Average
	Gender employment gap	Better than average	Average
	Income quintile ratio	Better than average	Average
	At risk of poverty or social exclusion	Good but should be monitored	Better than average
	Youth NEET	Average	Average
Dynamic labour markets and fair working conditions	Employment rate	Average	Average
	Unemployment rate	Average	Average
	GDHI per capita growth	Average	Average
	Net earnings of a full-time average single worker earning AW	Average	Better than average
Social protection and inclusion	Impact of social transfers	Better than average	Better than average
	Children aged less than 3 years in formal childcare	Better than average	Better than average
	Self-reported unmet need for medical care	Better than average	Better than average
	Individuals' level of digital skills	Average	Average

Source: European Commission 2018, 2019.

The integration of the European Pillar of social rights into the European Semester did not affect the involvement of the three main French trade unions in the European Semester. For **FO**, the weakness of the social scoreboard accompanying the Pillar, with particularly incomplete indicators chosen to reflect the social situation, as well as European relativism, ultimately limited any significant influence the European Semester might have had on France. It has not been possible to strike a new balance between the EU's economic governance and social governance. *"The 2018-2019 European Semester was more promising with a country report attesting to the quality of the French social security system in reducing inequalities and integrating funding priorities, but this had no impact, despite a significant change in the minimum wage, on the country-specific recommendations for France, which represent the political objective of the Semester"*. For the **CFDT**, the integration of the EPSR provides an explicit and indisputable set of benchmarks, but it has not fundamentally changed the Semester approach. The **CGT** makes the same observation, and points out that France already has social standards higher than those recommended by the Pillar. *"Besides, social aspects are almost non-existent in the NRP, if not to recall principles, but there are few or no real, operational and founding measures from another social perspective"*.

2. The 2018-2019 European Semester Cycle

2.1 The Country Report 2019

2.1.1 The content

On 27 February 2019, the European Commission published its Country Report on the reforms proposed by the French government. The report assesses the progress made by France in addressing the 2018 CSRs. It notes **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. There has been **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.

According to the report, although reforms have been carried out in recent years, with progress on several fronts including labour markets, taxation and business environment, the effects of these reforms still have to fully emerge, while further action is required in other fields, such as the reform of the unemployment benefit system, the reform of the pension system, and the spending review to ensure the sustainability of public finances and to enhance the growth potential.

The identified **policy challenges** faced by France include a steady decrease in public debt, dependent on the government's ability to curb its spending; sustainability risks for general government debt remaining high in the medium term; a need for continued effort to simplify the tax system and lower taxes on production; the integration of the most vulnerable categories of workers into the labour market, which is still a challenge; the remaining gap with respect to EU innovation leaders; remaining high differences in educational outcomes at all levels of education; a socio-economic divide between some regions and the rest of the country (European Commission 2019).

In 2019 France continues to **perform relatively well** on most of the indicators of the **Social Scoreboard** supporting the European Pillar of Social Rights (see Table 2). Compared to 2018, the situation in France has reportedly deteriorated slightly with regard to the risk of poverty, economic inequality and the employment gender gap. However, it would have improved in terms of net wages. The EESC wonders about the gap between

this observation and the real views of citizens (CESE 2019). Overall, the social protection system is effective in reducing poverty, and access to and the quality of services are good. Social transfers reduce monetary poverty and limit material deprivation. However, despite recent improvements, access to the labour market remains a challenge, in particular for disadvantaged groups, and pockets of poverty persist for some groups of the population. The main challenges relate to entrenched labour market segmentation and equality of opportunities. Educational and labour market outcomes remain strongly dependent on socio-economic and migrant background (European Commission 2019).

2.1.2 The involvement of French trade union organisations

In order to draft the Country Report, **a fact-finding mission was organised on 7, 8 and 9 November 2018** by the European Commission in Paris. About 50 meetings were held over three days with all the stakeholders (civil society, ministries, social partners, etc.). A specific meeting was held with the social partners on 7 November 2018. The social partners at confederal level were invited by email on 2 October 2018. This one-and-a-half-hour meeting was presented as an opportunity for representatives of the various European Commission Directorates-General involved in the European Semester and the macroeconomic imbalance procedure to meet the socio-economic actors, in order to discuss the analysis of the economic and social situation in France, the implementation of the reforms, and the implementation of the European Pillar of Social Rights in France.

In order to prepare the discussions, a questionnaire was sent out in advance, on 19 October 2018. This covered various fields, including the EPSR, employment law, unemployment insurance, the social dialogue and the functioning of the labour market, costs of work, training and the integration of people with a migrant background into the labour market (see Annex 1). The social partners were invited to send back their answers. They also had an opportunity to address the questions orally and to express their point of view at the meeting. According to the ESO, the discussions fed into the chapter on employment in the CR. As pointed out by FO, *“a questionnaire is sent by the Commission on the main topics that the report wishes to address. It is an opportunity to get to the bottom of the issues and share our analyses and positions. The other meetings are rather information meetings in which interactions are weaker”* (FO). However, for the 2018-2019 cycle, only the CDFT replied to the questionnaire, although representatives from CFDT, FO, CFE-CGC attended the 7 November meeting. The ESO assesses positively the involvement of the trade unions: *“Overall, we have a fairly good involvement of the social partners in the exercise of the European Semester and, in particular, at the time of this November mission”*. However, the trade union representatives who participate in the meetings are not grassroots trade unionists or from public service federations, for example. They are confederal representatives considered as insiders who have some knowledge of the Semester.

Following the publication of the Country report, **three events** were organised by/in collaboration with the European Commission:

- A public presentation held in Paris on **27 February 2019**. An invitation to the event was sent by email, on 12 February, to all stakeholders, including the so-

cial partners. 75 persons attended the meeting, including 11 social partner representatives (from **CFE-CGC, CGT, FO, CFDT** for the trade unions; **UNAPL and MEDEF** for the employers' organisations; and the **Economic, Social and Environmental Council**).

- A second information session was also organised on the European Commission's Cohesion Policy investment guidelines, formulated in the 2019 Country Report on France, and held on **14 March 2019**. 61 people attended, including a CFTC union representative and two CESE members.
- A conference focusing on an assessment of the situation in France and challenges facing France in relation to economic reforms was co-organised on **15 March 2019** by the European Commission and the French Ministry of the Economy. More than 170 people attended, including 6 TU representatives from FO, CFDT and CFTC.

Following the publication of the Country Report, FO issued a press release on 1 March 2019 criticizing the European Commission's analysis⁵. FO denounced the major paradox in the report, which acknowledges the effectiveness of the French social model while calling for a reduction in the scope of public services, which guarantee the redistribution of wealth and republican equality throughout the country. On employment issues, FO highlighted the paradox that the report highlights the increase in short contracts and involuntary part-time work but does not mention the increase in the number of working poor. FO also called on the government to suspend controversial reforms of the civil service and pensions, and called on private and public sector employees to stop working on 19 March 2019.

2.2 The National Reform Programme

2.2.1 The content

The National Reform Programme (NRP) is the subject of an inter-ministerial preparation process coordinated by the General Secretariat for European Affairs (SGAE). The National Reform programme was submitted on 26 **April 2019**. With 4 main strands, the NRP 2019 expresses the following objectives:

- to rebuild the French social model in order to create a more just society. Access to employment and the upgrading of work are a priority, by reforming the labour market and reducing contributions, increasing labour incomes, and modernising the unemployment insurance and pension systems;

⁵ Force ouvrière (2019) Semestre européen: le social doit primer, Press release, 1 March 2019, https://www.force-ouvriere.fr/IMG/pdf/cp_-_force_ouvriere_-_semestre_europeen_le_social_doit_primer.pdf

- to unleash 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;
- to develop a growth model for the future, by investing in and supporting citizens in the ecological transition, by investing in disruptive innovations and technological progress, and by strengthening the system of education and skills acquisition;
- to transform 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.

Compared to the 2018 NRP, the 2019 NRP follows **the same general approach** but with slight changes in presentation. The most noticeable change is the decision to put the **key-challenge of rebuilding the “social model” in first place rather than in third position** in the 2018 NRP. But the basic policies and logic of the policy mix remain unchanged (French Republic 2019).

2.2.2 The involvement of French trade union organisations

The draft National Reform Programme 2019 was the subject of a **two-fold consultation**:

- First, a series of hearings were organised with representatives of civil society, the social partners and local and regional authorities, to discuss a document sent out at least one week before the hearing. Hearings were organised on **20 February and 11 March 2019** with the Economic, Social and Environmental Council (CESE) and on **12 March 2019** with the Committee of European and International Social Dialogue (CDSEI), on 11 March with the National Council for Policies to Combat Poverty and Social Exclusion (CNLE) and on 19 March with the Associations of local and regional authorities. These hearings allowed the bodies consulted to express their views directly on the Government’s reform programme and the way in which it is described in the draft NRP.
- Secondly, each stakeholder met was invited to submit a **written contribution**, to be annexed to the NRP and forwarded to the European Commission together with the National Reform Programme. In 2019, 10 written contributions were annexed to the NRP, from the Economic, Social and Environmental Council (**CESE**), trade unions (**CFDT, CFTC, CFE-CGC, FO**), employers’ organisations (**UNAPL, CPME** and **U2P**), and civil society (**CNLE** and **AGE France**).

Several trade unions, during the interviews, criticised the lack of time for consultation with the trade unions (e.g. CGT, FO, UNSA, CFDT). In that respect, it is worth mentioning that the CESE began to work on its contribution to the NRP as early as November 2018, remembering the lack of time made available for consultation during previous ES pro-

cesses. As reported in its contribution to the NRP 2019, it met with representatives of the Secretariat-General for European Affairs and the Representation of the European Commission in France to gain a general idea of the exercise and to improve the Council members' understanding of the European Semester process (CESE 2019). The CESE reiterated its request for feedback in order to measure the impact of its recommendations: *"a written follow-up and the hearing in the Autumn of a representative of the Government at the most relevant level to present and comment on the recommendations of the Council of the European Union would be particularly appreciated by CESE members to complete the dialogue initiated. The approach between the Government and the CESE must become much more proactive and its proposals taken into account"* (CESE 2019: 13).

2.3 The Country Specific Recommendations 2019

2.3.1 The content

The European Commission published the draft CSRs for France on 5 June 2019. They were adopted by the Council on July 9. The CSRs addressed to France in the 2018-2019 ES cycles are broadly similar to those of previous cycles, although still strongly focused on issues related to the sustainability/reduction of public spending (see box 3).

Box 2: CSRs to the French Republic 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 windfall 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 skill 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.

Source: Council of the European Union 2019.

The withdrawal of France from the excessive deficit procedure does not seem to have had any impact on the European Semester process in terms of the messages in the CSRs. According to FO, it is too early to fully analyse whether France's exit from the excessive deficit procedure had a significant influence on the European Semester 2018-2019. However, it states, the differences of view and tensions between the European Commission and the Ministry of the Economy over the reform of the civil service, "Action Publique 2022", and its impact on France's budgetary path, clearly indicate pressure concerning the Maastricht criteria (reduction of public debt and deficit) and more specifically relating to the reduction of the French structural public deficit. For FO, "getting out of the excessive deficit procedure has allowed for a certain amount of air to be drawn in, which may have contributed to the suppression of the call to review the mechanism for setting the French minimum wage, but in general, the country-specific recommendations for France still remain mainly neoliberal, with the first recommendation being the implementation of structural reforms (notably pension reform) to reduce public expenditure and the monitoring of the structural public deficit, among others". This lack of influence is also highlighted by the CFDT, which points out that "the CFDT has always contested this procedure, which did not take into account the fact that the interest rates at which our country borrowed were very low and that the debt burden was not dramatic". For the CGT, exit from the EDP had no effect: "On the contrary, the NRP says that the growth achieved must be used to reduce deficits, it says little about the investments to be made, the windfall effect of having almost zero borrowing rates to date, and the need to revitalize social policy, the social crises we are experiencing are ignored".

2.3.2 The involvement of French trade union organisations

According to the trade unions, there is very little consultation on the country-specific recommendations before their adoption by the European Council, and the social partners' comments on this point are ignored. They (FO, CFDT) have nevertheless issued written opinions on the specific recommendations for France in the 2018-2019 round.

At the informal EPSCO Council prior to the ECOFIN Council of 9 July 2019, a CDSEI meeting was, however, held on the country-specific recommendations and the Country Report (FO).

Following the adoption of the CSRs by the Council, the ESO invited the social partners to send their reactions. By July 12, CFDT was the only trade union that had sent a written comment. The main points highlighted by CFDT include: 1. despite a general discourse that focuses more on social concerns, it is still structural reforms and balanced budgets that are highlighted; 2. instead of encouraging the French government to carry out the reform of public action through genuine social dialogue, it criticizes it for not having "focused on the ex-ante and general quantification of potential savings". Social dialogue is not considered an effective tool for carrying out equitable reforms that can improve economic and social performance at the same time; 3. The recommendations could also have mentioned the difficulties in conducting a constructive social dialogue, both at cross-industry and company level when the ESCs were set up; 4. Recommendations 2

and 3 appear to be well founded but are in contradiction with recommendation 1; 5. The subject of workers' professional transitions could have been addressed; 6. The **Semester remains too compartmentalised**, making it impossible to identify points of synergy between Member States and to stimulate cooperation.

FO, in turn, released a document listing 4 recommendations for the period 2019-2020. These encouraged France, inter alia: 1. to effect a general increase in wages, and in **the value of indexation for civil servants**, carry out a revaluation of pensions, indexed to wage increases; 2. To undertake a reform of the tax system, to develop a more progressive system reflecting the ability to pay of each citizen and limiting indirect taxes; 3. To guarantee effective protection of health and safety at work in the private sector and in **the public sector** through new measures strengthening the role and resources of employee representative bodies in companies, and to guarantee adequate protection of workers' health (...) in particular by pursuing collective negotiations at national level with the social partners; 4. to ensure the action and presence of **French public services** throughout the country; to improve access for all citizens to **quality public services** through public investment policies designed to ensure full coverage of the French territory; and to tackle the deterioration in the working conditions of all public service employees (State, local government, hospitals) by **maintaining social spending and more particularly the level of remuneration of civil servants**.

2.4 Facilitating effective trade union involvement – what helped and hindered

2.4.1 Interactions with European and national authorities

Regarding the interactions with the European authorities, the trade unions note an improvement of the process in recent years through greater involvement of the European Semester Officer (ESO), informing unions about the ES, organising meetings and workshops with the stakeholders at the different stages of the ES. The interviews refer also to regular participation of the ESO or European Commission officials in social partner events, to share information and their views on the ES messages (AGS, Country report assessment, CSRs), or broader priorities, such as innovation policy.

The positive role played by the TUSLOs in the interaction with the European authorities is also underscored in several interviews. TUSLOs are one of the best means for the ESO and the European Commission to communicate with the national trade unions, given their in-depth knowledge of the ES process and more broadly of European policies. They are vital links, helping trade unions to understand and interact with the ES, but also enabling the coordination of positions related to the ES within the European Trade Union Confederation (ETUC).

Most of the interaction with the national government takes place in the Ministry of Labour's Social Dialogue Committee on European and International Affairs (CDSEI), with all the representative social partners at national level. The Ministry of the Economy also holds regular meetings to discuss particular topics related to the European Semester, to which the social partners are invited, but otherwise there is no interaction with the Ministry of Labour or the Ministry of the Economy (FO). Several of the TU representatives interviewed regretted the fact that the interaction at both European and national levels is more geared to information/consultation than to true discussion (FO, CGT, CFDT, UNSA). While the interaction with the national government has improved over the 2014-2018 period, there is still room for improvement. The Ministry of Labour is only involved to a certain extent in the European Semester, in contrast to the Ministry of the Economy, a fact which also reduces the quality of interaction given the limited potential influence (FO).

2.4.2 Timeliness of interventions

The very limited time available for consultation of and reaction by the national social partners at the different stages of the ES is referred to by the majority of interviewees as a particular limiting factor for the quality of interactions. There is little time to prepare ad-hoc written or oral contributions at the different stages of the ES. The documents related to the European Semester are sent out late in the day by the national government prior to the meetings; the very short periods between the publication of the Semester documents and the various meetings limit the quality of the papers produced (FO, CFDT). Often, these contributions are drafted in the 'European units' of the national confederations, which are unable to consult with the TU affiliate bodies. Nevertheless, they reflect positions adopted during TU congresses or general assemblies.

The CESE, in its contribution annexed to the 2019 NRP, also underscores the negative effect of having so little time available to contribute to the programme; it decided to start working early, to the extent possible, on its contribution to the stakeholder consultation. "In view of the recurring problems of timing and the fact that that this work cannot be carried out urgently, the CESE has anticipated this year, as of November 2018, its contribution to the NRP. (...) The CESE is thus seeking to be part of a timetable in line not only with the NRP but also with the entire European Semester cycle (PNR 2019: p 13).

2.4.3 Capabilities and resources

The interaction with both European and national levels is also hindered by the relative capabilities and resources available in the national confederations. Some of the TUSLOs interviewed highlight the demanding aspects of their work, as they are also usually responsible for following European topics in their respective confederations. "*The growing impact of the European Semester on national policies and the growing convergence of neoliberal political agendas at the expense of workers' rights and social rights have led to the commitment of more resources and a better organisation of our activities, particularly in relation to the TUSLO network and the ETUC*" (FO). This is even truer in the smaller, more sectoral, trade union confederations, where the lack of internal cognitive and financial

resources can be problematic (CGC, UNSA). In the context of public sector social dialogue, several major confederations co-exist with smaller sectoral confederations, with fewer resources.

Support in understanding and interacting with the ES is provided through information/training activities organised by the European Commission and by European TU confederations at cross-sectoral (ETUC, ETUI) and sectoral levels (EPSU, ETUCE). Depending on their capacities, national confederations also organise training and information sessions on the ES. However, these possibilities generate problems of availability of the trade union officers concerned, given their different responsibilities within national confederations (FO, CFDT).

2.4.4 Alliances and collaboration between trade unions

The history of French social dialogue shows that relations between TU confederations are generally competitive, rather than collaborative. While they can sometimes agree on common positions, they often disagree on points of analysis or on what action to take. Thus, it is very difficult for the French trade unions to provide common consensual analysis and positions on the areas related to the reforms promoted by the ES. As summarised by an interviewee: *“We have exchanges with other French trade union organisations and with employers, but few common positions. Employers’ organisations are not too involved in the Semester, they prefer to lobby elsewhere. With the other trade union organisations, while we share many criticisms of the Commission’s position, we often have differences of opinion on the assessment of national reforms”* (CFDT).

This relative lack of collaboration between trade unions on the ES also reflects different perceptions of the usefulness of the consultation process relating to the ES. While the CFDT shows more willingness to participate in the consultation, through several written and oral contributions to the different events organised in relation to the ES in France, other confederations (CGT, FO) have only recently been persuaded of the usefulness of taking part. *“In general, effectiveness must be measured over the long term. The Commission’s proposals eventually change over time. But it’s not enough”* (CFDT). *“We will necessarily remain modest and acknowledge that we have little influence on the process at all stages, which is an obvious gap in the same process, amplifying the mistrust mentioned. (...) If we want social democracy to apply at European level, we must interact more regularly, be involved in the decision-making process, go beyond the “concertation” phases to initiate real building phases”* (CGT). *“The stronger involvement of trade unions in the Semester has been able to reduce the content of the recommendations from time to time, but only at the margins”* (FO).

Although doubtful about their ability to influence the ES process, trade unions nevertheless recognise the value of the process as a forum for debating national reforms and as a means to pass on their views to the European authorities. The trade unions consider it useful to be involved in the Semester as almost all its key themes correspond to the issues discussed in the national social dialogue. Most of the reforms implemented in recent years under pressure from Europe are directly related to their core bargaining

activity. *"The Semester provides a synthetic overview of the reforms and economic policies conducted in our country, and prepares budgetary policy. It therefore allows us to affirm the CFDT's positions in many of the areas in which we operate and to make them known to the European authorities"* (CFDT). *"The Semester influences the conduct of national economic and social policies. All fields of social law and social protection are covered beyond the question of the division of shared or exclusive competences of the States and the European institutions"* (FO).

French trade unions are thus now more convinced than before of the need for ongoing participation in the consultation process linked to the different steps and outcomes of the ES. However, they express a certain frustration as to the relative ability of the consultation process to shape the overall policy orientations embraced in the ES, notably concerning restrictions on public spending. The ES is still mainly perceived as a means to implement austerity policies in the national arena.

The weak coordination between French trade unions is also partly offset by the TUSLO European network, which helps to improve exchange and coordination between trade unions in Europe but also between TUSLO representatives of trade unions in the same country. As TUSLOs are key resource persons in their own confederations for all matters related to the ES, this may help to enhance the level of common understanding and shared analysis among the national TU confederations.

3. Conclusions

The review, in the previous section, of the positive and negative aspects of French trade unions' experience of involvement in the various phases of the ES highlights the persistence of a set of factors which somehow limit their involvement and therefore their impact on the ES. Trade unions, while increasingly convinced of the importance of taking part in the debates relating to the ES and its key documents (particularly the Country Report and the NRP), remain doubtful about the influence they can have on the outcomes of the process. Aside from procedural issues, such as the very limited time available to react, the whole consultation process is perceived as purely informative, with the contributions of trade unions not reflected, or only marginally so, in the final documents. The traditional differences of view between the main French TU confederations make it more difficult to provide a common consensual analysis and agreed positions concerning the issues and reforms promoted by the ES. The increasing intertwining of national policies with the European processes linked to the ES also results in more points of intersection between the two spheres of governance, and consequently places a greater burden to interact on trade unions. This increases the pressure on union cognitive and financial resources; in order to be present and accurate in the multiple fields of interaction, unions must devote more and more resources to monitoring European issues. This sometimes requires internal decisions as to the best use of resources, especially in the smaller TU confederations.

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Annex 1: CSRs to the French Republic in 2017 and 2018

2017

CSR 1: Ensure compliance with the Council recommendation of 10 March 2015 under the excessive deficit procedure. Pursue a substantial fiscal effort in 2018 in line with the requirements of the preventive arm of the Stability and Growth Pact, taking into account the need to strengthen the ongoing recovery and to ensure the sustainability of France's public finances. Comprehensively review expenditure items with the aim to make efficiency gains that translate into expenditure savings.

CSR 2: Consolidate the measures reducing the cost of labour to maximise their efficiency in a budget-neutral manner and in order to scale up their effects on employment and investment. Broaden the overall tax base and take further action to implement the planned decrease in the statutory corporate-income rate.

CSR 3: Improve access to the labour market for jobseekers, in particular less-qualified workers and people with a migrant background, including by revising the system of vocational education and training. Ensure that minimum wage developments are consistent with job creation and competitiveness.

CSR 4: Further reduce the regulatory burden for firms, including by pursuing the simplification programme. Continue to lift barriers to competition in the services sector, including in business services and regulated professions. Simplify and improve the efficiency of public support schemes for innovation.

2018

CSR 1: Ensure that the nominal growth rate of net primary government expenditure does not exceed 1,4 % in 2019, corresponding to an annual structural adjustment of 0,6 % of GDP. Use windfall gains to accelerate the reduction of the general government debt ratio. Implement expenditure savings in 2018 and fully specify the objectives and new measures needed in the context of Public Action 2022, for them to translate into concrete expenditure savings and efficiency gains measures in the 2019 budget. Progressively unify the rules of the different pension regimes to enhance their fairness and sustainability.

CSR 2: Pursue the reforms of the vocational education and training system to strengthen its labour market relevance and improve access to training, in particular for low-qualified workers and jobseekers. Foster equal opportunities and access to the labour market, including for people with a migrant background and people living in deprived areas. Ensure that minimum wage developments are consistent with job creation and competitiveness.

CSR3: Simplify the tax system, by limiting the use of tax expenditures, removing inefficient taxes and reducing taxes on production levied on companies. Reduce the regulatory and administrative burden to increase competition in the services sector and to foster firms' growth. Step up efforts to increase the performance of the innovation system in particular by improving the efficiency of public support schemes and strengthening knowledge transfer between public research institutions and firms.

Source: Council of the European Union 2017, 2018.

Annex 2: Questions addressed to the trade unions prior to the fact-finding mission

European Pillar of Social Rights

1. What is your analysis and evaluation of the implementation at national level of the European Pillar of Social Rights?
2. What is your assessment of the social scoreboard attached to the European Pillar of Social Rights?

Social dialogue and the functioning of the labour market

3. How do you rate the method followed by the new government in consulting the social partners? Have you noticed a change in the form and content of the consultation of the social partners on the reform of unemployment insurance?
4. How would you assess the current situation of the labour market in France: what are the major problems and possible solutions to reduce the unemployment rate, which is at a high level in a context of economic recovery? Do you consider the measures taken and envisaged by the new government in its reform programme (labour law, vocational training, unemployment insurance, labour costs) to be adequate?

Employment law

5. What are the effects of the new framework drawn up by the ordinances reforming the Labour Code adopted a year ago?
6. How do you envisage the evolution of social dialogue at company level, in particular with regard to the creation of a single body and the referendum instrument to validate company agreements, in the light of the measures taken by the ordinances?

Unemployment insurance

7. What are your proposals concerning the possible evolution of the unemployment insurance system, in relation to the latest Unédic convention validated by the social partners?
8. What is the main cause explaining the apparently weak effect of the over-taxation of short-term contracts previously introduced in 2013? How should a new reward/penalty system work? Is there a real risk to employment in certain sectors?

Cost of work

9. What are your opinions regarding the transformation of the competitiveness and employment tax credit (CICE) into a permanent reduction in social security contributions by 2019? What are the effects on jobs and productive investment?

10. The evolution of the minimum wage remains below that of average wages and tax relief on low wages has not, however, made it possible to reduce unemployment among unskilled workers, which remains at high and increasing levels over time. Can other avenues be considered to promote the return to employment of this segment?

Training

11. What changes in vocational training systems do you think are most necessary to better adjust training provision to the needs of the labour market, taking particular account of the school-based vocational training pathway?

12. How would you assess the evolution of the apprenticeship system in France, both in terms of funding and its operating model, from the point of view of the unions? 13. Considering the changes made to the governance and financing of continuing professional training in the current government, what is your assessment of the mission entrusted to the new skills operators (OPCOs)?

Integration of people with a migrant background into the labour market

14. Are trade unions taking any measures to promote the integration of people with a migrant background into the labour market?

15. Trade union organisations at European level signed a European Partnership for Integration with the European Commission in December 2017, which sets out the basic principles and commitments to support and strengthen opportunities for refugees and migrants legally residing in the European Union. Have any actions been taken at the national level to implement this partnership?

Annex 3: List of interviewees

Position	Organisation	Modality
Federal Secretary, Service International Europe	CFDT	Face to face
National Secretary	UNSA	Face to face
Federal delegate, Service International Europe	CFE-CGC	Face to face
Delegate Service International Europe	FO	Face to face
SG Assistant/ TUSLO	FO	Face to face
Federal Secretary, Service Europe Europe	CGT	Face to face
FDSP Service International Europe	CGT	Face to face
National Secretary, Service International Europe	CGT	Face to face
Federal Secretary, Service International	CGT	Face to face
European Semester Officer	European Commission	Face to Face
Confederal Secretary, TUSLO Service International Europe	CFDT	Written answers
Adviser Europe	CGT	Written answers
TUSLO	FO	Written answers
Technical adviser, Europe & International	CFTC	
TUSLO	CGT	Written answers

