

Franchet, Lucile (2024)

Flexibilisation Policies and Labour Market Structures in France.

PhD thesis. SOAS University of London.

DOI: <https://doi.org/10.25501/SOAS.00043114>

Copyright © and Moral Rights for this thesis are retained by the author and/or other copyright owners.

A copy can be downloaded for personal non-commercial research or study, without prior permission or charge.

This thesis cannot be reproduced or quoted extensively from without first obtaining permission in writing from the copyright holder/s.

The content must not be changed in any way or sold commercially in any format or medium without the formal permission of the copyright holders.

When referring to this thesis, full bibliographic details including the author, title, awarding institution and date of the thesis must be given e.g. AUTHOR (year of submission) "Full thesis title", name of the School or Department, PhD Thesis, pagination.

Lucile Franchet  
Student ID: 667324

Flexibilisation Policies and Labour Market Structures in France  
Thesis submitted for the Degree of PhD

2023

Department of Economics  
SOAS, University of London

# Acknowledgments

First and foremost, I would like to thank my supervisor, Satoshi Miyamura, whose expertise, guidance, and unwavering support have been invaluable throughout this research endeavour. I am also grateful to my MPhil upgrade committee, Costas Lapavitsas and Ourania Dimakou, whose insightful feedback and constructive critiques significantly enhanced the quality and rigour of my research.

I owe a special debt of gratitude to my peers and colleagues at SOAS. The stimulating discussions, shared experiences, and collaborative atmosphere within our academic community have enriched my PhD journey immensely. In particular, I would like to thank the friends I have made during my PhD journey, who have offered invaluable support both academically and personally: Adam Willman, Shehryar Qazi, Taylor Rockhill, Christiane Heisse, Matteo Giordano, Enrico Pulieri, Hwanhee Bae, Adam George, and Damon Aitken.

To my friends and family, your steadfast support and encouragement have been my anchor during the most challenging phases of this endeavour. I extend a special acknowledgment to my parents, whose support and assistance were crucial in both the development and completion of this PhD. This achievement would not have been possible without their unwavering help. I am also deeply grateful to, my sister Elise Franchet, and my friends Tanja Leifsdóttir, Rut Einarsdóttir, Harvey Dodds, James Kelly, Georgie Weaver, Kiah Maiden, Ines Ajimi, Solene Bruyninckx, Laurane Dubrunfaut, Emilia Aguele, Jen Ayoade, and Jordan Emery – for their invaluable support and friendship.

Finally, I acknowledge the scholars and researchers whose work has laid the groundwork for my study. Your contributions have been pivotal in shaping the academic field and have provided a strong foundation for my research.

This thesis is not only a reflection of my effort but also a testament to the collective support and guidance of each individual mentioned above and many others who have contributed in myriad ways.

Thank you.

# Abstract

This doctoral research critically examines labour market flexibilisation policies in France, challenging the mainstream narrative that links flexibilisation with economic growth and reduced unemployment. Adopting a class relational perspective, it redefines labour market flexibilisation as a transformation in the social relations of production, facilitating the increasing rate of exploitation in many countries. This study analyses these policies as a manifestation of a concrete capitalist class struggle to (re)produce an exploitable labour force, influenced by neoliberalism and the 1970s profitability crisis. Focusing on France, this research uniquely combines a socio-historical analysis of the French labour market, quantitative macro-economic data, and a mixed-methods case study of France Télécom. This approach reveals the nuanced forms of flexibilisation in France, particularly in the context of diminishing union density and evolving collective bargaining. The thesis aims to provide a comprehensive understanding of the power dynamics between capital and labour, offering insights into the covert strategies of French capitalism in response to economic challenges since the 1970s.

# Table of Contents

1	Introduction .....	20
1.1	Context and Motivation .....	20
1.2	Research Questions.....	22
1.3	Thesis Overview .....	24
2	Literature Review .....	29
2.1	Background .....	30
2.2	Definitions .....	33
2.3	The Enduring Prominence of Flexibilisation Policies .....	36
2.4	Unemployment and Growth .....	39
2.5	Inequalities.....	49
2.6	France.....	54
2.7	Conclusion.....	61
3	Theoretical Framework.....	63
3.1	Class .....	64
3.1.1	Class Struggle .....	67
3.1.2	Capital Accumulation .....	69
3.1.3	Inter and Intra Class Relations .....	73
3.1.4	Class Location.....	75
3.1.5	Sartre.....	78
3.1.6	Inequality and Solidarity in Post-War Capitalism.....	86

3.2	Power .....	89
3.2.1	The Three Dimensional View of Power .....	89
3.2.2	Rights and Powers.....	93
3.2.3	Real and subjective interests .....	94
3.2.4	Trade Union Power .....	96
3.2.5	Bargaining Power .....	98
3.3	The Dynamics of Labour Market Flexibilisation: Neoliberal Strategies and Class Power Shifts 100	
3.3.1	How do these elements reinforce each other dynamically? .....	103
3.3.2	The Redistribution of Power from Labour to Capital.....	106
3.4	Labour Market Flexibilisation Policies in France.....	115
3.4.1	What forms did Labour Market Flexibilisation Policies take in the French Context... 116	
3.5	Conclusion.....	124
4	Peculiar Flexibilisation Policies in France: A Socio-Historical Analysis of High Collective Bargaining and Low Union Density .....	127
4.1	Background .....	128
4.1.1	Stylised Facts .....	128
4.1.2	History of Industrial Relations in France .....	132
4.2	Unions .....	143
4.2.1	Employers' Organisations .....	146
4.2.2	Unions Inter-Union Dynamics and Intra-Union Relationships.....	149
4.3	Collective Bargaining.....	161

4.3.1	Negotiating Flexibility: The Role of Collective Bargaining in Labour Market Adaptation	162
4.3.2	Fragmentation of the Workforce and Collective Bargaining .....	177
4.4	Conclusion .....	181
5	How has Flexibilisation Manifested in France?.....	183
5.1	Data Collection and Methods .....	184
5.1.1	REPONSE .....	184
5.1.2	Acemo Survey .....	185
5.1.3	Working Conditions survey: Dares-Drees-DGAFP-Insee .....	186
5.1.4	Socio-Professional Categories.....	186
5.2	Trade Unionism: Trends and Data Analysis .....	188
5.2.1	Union Decline and Paradoxes: A Comprehensive Analysis of Trends and Dynamics in France	188
5.2.2	Union Presence per sector.....	197
5.3	Collective Bargaining.....	213
5.3.1	The Shift to Firm-Level Bargaining in France's Labour Market .....	215
5.3.2	Union Density and Bargaining Power: Exploring Intra-Class Dynamics in French Labour Relations	224
5.3.3	Material Conditions.....	233
5.4	Conclusion.....	257
6	How does the coupling of low union density and high collective bargaining manifest in the concrete as flexibilisation policies in the case of France Télécom/Orange? .....	259
6.1	Background .....	260



6.1.1	The Privatisation of Orange/France Telecom .....	260
6.1.2	Early flexibilisation policies and mental health crisis under telecoms restructuring .	264
6.1.3	Later flexibilisation policies at France Telecom and the rise of worker ‘wellbeing’ ...	268
6.2	Methodology.....	272
6.2.1	Archive Data.....	272
6.2.2	Data Collection.....	273
6.2.3	Social Reports: What are they?.....	275
6.2.4	Interviews.....	276
6.3	Results.....	281
6.3.1	Change in the distribution of the total workforce from 1975 to 2002 .....	282
6.3.2	Unions .....	286
6.3.3	Collective Bargaining.....	303
6.3.4	Material Conditions.....	333
6.4	Conclusion.....	357
7	Conclusions .....	360
7.1	Overall Findings.....	360
7.2	Theoretical Contributions .....	363
7.3	Limitations and Avenues for Future Research .....	365
8	Bibliography .....	367
9	Appendices.....	373
9.1	Appendix: IRP Orange .....	373
9.2	Table 9.1: Civil Service Job Categories .....	378

9.3	Appendix: Classifications of the Orange workers according to the Telecommunications Collective Convention .....	378
9.4	Appendix : Collective Agreements .....	380
9.5	Appendix: Interview Questions.....	402

# Table of Figures

Figure 2.1: Unemployment Rate in the EU 15 (1960-2018).....	31
Figure 2.2 GDP Growth in the EU 15 (1960-2018).....	31
Figure 2.3: Wage share in the EU 15 (1960-2018).....	33
Figure 2.4: Collective Bargaining Coverage in France (%).....	54
Figure 2.5: Collective bargaining and union density for all OECD countries .....	55
Figure 4.1: Collective bargaining and union density for all OECD countries .....	128
Figure 4.2: Number of individual working days lost due to strikes, in thousands.....	131
Figure 5.1: Union Density (%) .....	189
Figure 5.2: Union Rate of employees in France since 1949.....	190
Figure 5.3: Union Rate in France.....	192
Figure 5.4: CFDT Union Rate .....	192
Figure 5.5: CGT Union Rate.....	192
Figure 5.6: FO Union Rate .....	193
Figure 5.7: % of establishments covered trade union delegate .....	195
Figure 5.8: Union Rate per Sector (%) :.....	198
Figure 5.9: Unionisation Rate per Sector - Public .....	199
Figure 5.10: Unionisation Rate per Sector - Private.....	200
Figure 5.11: Unionisation rates in banks and insurance companies since 1967. According to the membership of the CGT, the CFDT, and the results of works council elections.....	201
Figure 5.12: Unionisation Trends in the Construction and Public Works Sector.....	202
Figure 5.13: Unionisation rates in the branches of chemistry, plastic, and rubber. Workforce in the branches based on censuses and employment surveys by INSEE .....	203
Figure 5.14: Commerce sector.....	204

Figure 5.15: Unionisation rates in Metallurgy establishments: Estimates based on the membership figures of CGT and CFDT, as well as data from the census. ....	205
Figure 5.16: Unionisation rates in the National Education sector (1978-1991) .....	206
Figure 5.17: Unionisation rates in different unions of Finance civil servants (as a percentage of the total Finance employees) .....	207
Figure 5.18: Unionisation rates in various PTT (Postes, télégraphes et téléphones) federations.....	208
Figure 5.19: Estimation of unionisation rates in the textile-clothing-leather sector based on census data. ....	209
Figure 5.20: Number of Workers Unionised in Thousands.....	210
Figure 5.21: Percentage of signature rates for interprofessional and sectoral agreements by trade union organisation .....	212
Figure 5.22: Collective Bargaining Coverage (%) .....	215
Figure 5.23: Number of workplace agreements signed annually in France .....	216
Figure 5.24: Evolution of the distribution of sectoral agreements according to their geographical level(%).....	218
Figure 5.25: Number of professional agreements according to the year of signing .....	221
Figure 5.26: Number of sectoral agreements according to the year of signing .....	222
Figure 5.27: Agreements concluded at company level in France (private sector) .....	222
Figure 5.28: Companies with a union delegate that have negotiated at least once during the year (%) .....	227
Figure 5.29: Companies without a union delegate that have negotiated at least once during the year(%) .....	227
Figure 5.30: Strikes according to theme, as a percentage of companies that have experienced a strike .....	230
Figure 5.31: Percentage of companies that have signed an agreement, by main themes (%) .....	232
Figure 5.32: weekly working time for full time salaried employees.....	236

Figure 5.33 1.Quarterly average overtime (in hours) declared per full time employee according to the collective weekly working time (as declared per the employer) .....	241
Figure 5.34: Physical efforts and postural constraints.....	243
Figure 5.35: Physical efforts and postural constraints according to the socioprofessional category	244
Figure 5.36: Work environment and hygiene conditions (% of workers).....	245
Figure 5.37:Work environment and hygiene conditions according to the socioprofessional category (%) .....	246
Figure 5.38: Repetitive work.....	247
Figure 5.39: Proportion of employees who declare that their work is repetitive (%).....	248
Figure 5.40: Among them, the proportion of employees for whom each series of actions lasts less than one minute (%).....	249
Figure 5.41: Proportion of employees who declare working on an assembly line or under automatic constraint (%).....	250
Figure 5.42: Proportion of employees who declare working on an assembly line or under automatic constraint per socio -professional category(%) .....	251
Figure 5.43: Work rhythms: Standards or deadlines to be met, external demand .....	252
Figure 5.44: Proportion of employees who declare that their work pace is imposed by standards or deadlines to be met within one hour at most (%) .....	253
Figure 5.45: Proportion of employees who declare that their work pace is imposed by standards or deadlines to be met within one day at most (%).....	254
Figure 5.46: Proportion of employees who declare that their work pace is imposed by an external demand requiring an immediate response (%) .....	254
Figure 5.47: Proportion of employees who declare that their work pace is imposed by an external demand not requiring an immediate response (%).....	255
Figure 6.1:Breakdown of the total workforce as of 12/31 according to a detailed qualification structure, as % of total employees. ....	282

Figure 6.2: Breakdown of the total workforce as of 12/31 according to a detailed qualification structure. Breakdown of the total workforce as of 12/31 according to a detailed qualification structure.	283
6.3 Classifications of the Orange workers according to the Telecommunications Collective Convention	284
Figure 6.4 Workforce Composition on December 31st	284
Figure 6.5: Workforce per category as a percentage of total workforce	285
Figure 6.6: Strike days	288
Figure 6.7: Number of union training days	293
Figure 6.8: Number of people benefiting from a union training leave (in hours)	294
Figure 6.9: % of training days out of all union days	295
Figure 6.10: Election results for central joint administrative committees (%)	301
Figure 6.11: Composition of the Central Works Council (Number of Seats)	302
Figure 6.12: Number of meetings on hygiene and safety	312
Figure 6.13: Total amount of Hygiene and Safety committees	313
Figure 6.14: Distribution of the CHSCT (Number of Committees)	314
Figure 6.15: Distribution of CHSCT meetings (Number of Meetings)	315
Figure 6.16: Distribution of CHSCT meetings (Number of Meetings)	316
Figure 6.17: Company Level Agreements Signed at National Level (%)	322
Figure 6.18: Average REAL monthly salary in December (including bonuses)	341
Figure 6.19: Gross monthly remunerations (in euros) Inflation adjusted (base 2004)	342
Figure 6.20: Q90/Q10 Ratio	344
Figure 6.21: staff cost/revenue (as a %)	346
Figure 6.22: Number of accidents leading to sick leave	348
Figure 6.23: Number of fatal accidents	349
Figure 6.24: Frequency rate of Accidents at Work	350

Figure 6.25: Severity rate.....	351
Figure 6.26: % of employees that work during the night .....	354
Figure 6.27: % of workers with a variable work schedule .....	355

# Abbreviations

Abbreviation	French Term	English Translation
AFEP	Association Française des entreprises privées	Association of Private Enterprises
CBE	Comité 'bassin d'emploi'	Employment Basin Committee
CA	Conseil d'administration	Board of Directors
CAP	Commissions administratives paritaires	Joint Administrative Commissions
CCE	Comité central d'entreprise	Central Works Council
CE	Comité Etablissement / Comité d'Entreprise	Works Council / Company Committee
CEE	Comité d'entreprise européen	European Works Council
CFDT	Confédération française démocratique du travail	French Democratic Confederation of Labour
CFE-CGC	Confédération française de l'encadrement - Confédération générale des cadres	French Confederation of Management - General Confederation of Executives
CFTC	Confédération française des travailleurs chrétiens	French Confederation of Christian Workers
CGT	Confédération générale du travail	General Confederation of Labour
CHS	Comités d'Hygiène et de Sécurité	Health and Safety Committees



<b>Abbreviation</b>	<b>French Term</b>	<b>English Translation</b>
CHSCT	Comité d'hygiène, de sécurité et des conditions de travail	Health, Safety and Working Conditions Committee
CLS	Commissions locales de suivi	Local Monitoring Commissions
CMCN	Commissions mixtes de concertation et de négociation	Joint Consultation and Negotiation Commissions
CNPF	Conseil National du Patronat Français	National Council of French Employers
Cogas	Conseil d'orientation et de gestion des activités sociales	Council for the Orientation and Management of Social Activities
CPCN	Commissions permanentes de concertation et de négociation	Permanent Consultation and Negotiation Commissions
CPME	Confédération des Petites et Moyennes Entreprises	Confederation of Small and Medium-sized Enterprises
CPN	Comité paritaire national	National Joint Committee
CPT	comités techniques paritaires	Joint Technical Committees
CSE	Comité social et économique	Economic and Social Committee
DGT	Direction générale des Telecom	General Directorate of Telecom
DP	Délégués du personnel	Employee Representatives
DRH	Direction des ressources humaines	Human Resources Departments

<b>Abbreviation</b>	<b>French Term</b>	<b>English Translation</b>
DUP	délégation unique du personnel	Single Employee Delegation
FAPT	Federation des Activités Postales et Telecoms	Federation of Postal and Telecom Activities
FO	Force Ouvrière	Workers' Force
FT	France Telecom	France Telecom
IHS	Institut d'Histoire Sociale	Institute of Social History
IRP	Institutions representative du personnel	Personnel Representative Institutions
MEDEF	Mouvement des Entreprises de France	Movement of the Enterprises of France
NAO	Negos annuelles obligatoires	Mandatory Annual Negotiations
PTT	Poste et Telecoms	Post and Telecoms
RTT	Réduction du temps de travail	Reduction of Working Time
SMEs	small and medium enterprises	Small and Medium Enterprises
SUD	Solidaires	Solidaires Unitaires Démocratiques
U2P	Unions des Entreprises de Proximité	Proximity Enterprises Unions
UIMM	Union des industries métallurgiques et minières	Union of Metallurgy and Mining Industries
UNETEL	Union Nationale des Entreprises de Télécommunications	National Union of Telecommunications Companies

# Glossary

## **Agent de Maîtrise**

A production staff member overseeing workers at various levels of production. Responsible for supervising production operations under management's direction, they possess specific expertise and more independence than regular employees. The position of 'agent de maîtrise' falls between the standard employee and the 'cadre' within the hierarchical scale or professional classification defined by collective agreements.

## **Bilan Social**

A comprehensive report or assessment compiled by companies to provide an overview of the social aspects of their operations, including employment, working conditions, training, equality, and other social metrics.

## **Cadre Moyen**

An intermediate managerial position, which is between the senior executive ('cadre supérieur') and the 'agent de maîtrise' (supervisor). 'Cadres moyens' have managerial responsibilities such as leading a team or coordinating projects, but with less autonomy than 'cadres supérieurs.'

## **Cadre Supérieur**

A senior executive with decision-making authority and a role in policy development. This individual actively contributes to the company's direction and possesses significant decision-making power.

## **Collective Agreement**

A collective agreement is narrower in scope compared to a collective convention. While a collective convention deals with a wide range of employment conditions, a collective agreement focuses on specific issues within these broader terms. It is an agreement reached between an employer (or employers' representatives) and one or more trade unions or employee representatives, sometimes

following consultation with the employees, and adheres to the validity rules set out in the labour code. Unlike a collective convention, which covers all aspects of employment, work, professional training, and social guarantees, a collective agreement typically addresses one or several themes within these areas. For instance, it might focus solely on aspects like working hours, health and safety measures, or specific training requirements.

### **Collective Convention ("convention collective")**

A "convention collective" is a comprehensive document that contains the employment law rules applicable to a specific sector of activity. It is a legally binding agreement, negotiated between representative trade unions and employers or their organisations. It primarily sets out working conditions, salaries, paid holidays, and the rights and obligations of both employers and employees, tailoring the general labour code to the particular situations of the sector it covers. These conventions often include provisions that can derogate from the labour code, like shorter/longer working hours or higher/lower severance pay, and can also contain terms not covered by the labour code, such as additional bonuses or extra leave days.

### **Employé Technicien**

A technician who performs specific technical tasks within a company.

### **Union Density**

A measure of the proportion of workers in a workforce who are members of a trade union.

# 1 Introduction

## 1.1 Context and Motivation

This research is an intervention to policy and academic discourses of flexibility as a rhetoric to justify labour market policies. In mainstream economic and political narratives, labour market flexibilisation is often advocated as a policy for issues such as high unemployment and stagnant economic growth. Proponents argue that introducing more flexible labour practices will lead to a more dynamic and efficient economy, ultimately benefiting the workforce and society at large. However, this perspective has been rigorously contested by heterodox economists, who question the validity and socio-economic consequences of these claims.

Building on the foundations laid by this heterodox critique, this research aims to provide a comprehensive analysis of the concept of labour market flexibility, particularly examining its emergence, development, and impacts through a class relational lens. The focus on class relations is crucial, as it allows for an exploration of the deeper structures and power dynamics that underlie labour market policies and practices. This perspective posits that labour market flexibilisation must be understood not merely as an economic strategy but as a reflection and reinforcement of existing class structures and power imbalances within society.

This research, therefore, seeks to unravel the complexities of the flexibilisation of the labour market by examining its historical roots and evolution. It investigates how the concept has been utilised and transformed over time, serving various economic and political agendas. The research critically examines the implications of these policies for different classes, especially the working class, whose labour and livelihoods are most directly affected by these changes. It questions the extent to which flexibilisation policies have reshaped the nature of work, employment relations, and the bargaining power of workers vis-à-vis employers.

By adopting a class relational perspective, this research also challenges the notion that labour market flexibilisation inherently leads to positive economic outcomes.

This research is anchored in a Marxist political economy framework, which provides a critical lens for examining the flexibilisation of the French labour market. This approach is particularly pertinent in the context of the rise of neoliberalism, a period characterised by a global shift towards market-oriented reforms and deregulation. The study aims to dissect the intricate dynamics of labour market policies in France, focusing on how these policies have shaped the labour-capital relations and the broader socio-economic landscape.

At the core of this thesis is the argument that the peculiar coexistence of high collective bargaining coverage alongside low union density in France is not an incidental feature but a deliberate outcome of flexibilisation policies. This unique configuration is understood as a response to the structural crises and challenges faced by capitalism, particularly since the 1970s. During this period, capitalism encountered a significant profitability crisis, prompting a need for a reconfiguration of its operational mechanisms. The response to this crisis was not merely economic but also deeply rooted in the power dynamics between labour and capital. In addition, the events of May 1968 in France, marked by widespread worker and student protests, signalled a moment of heightened class consciousness and solidarity among the workforce. This period posed a direct challenge to the status quo, as the unity and mobilisation of workers threatened to destabilise the existing power structures. In response, the capitalist system employed flexibilisation policies as a strategy to fragment and weaken labour. This strategy was multifaceted, involving both the restructuring of labour market regulations and the manipulation of labour relations to dilute the collective power of workers. Labour market flexibilisation is an important development in labour market policies, driven by the neoliberal imperative and in response to the 1970s profitability crisis in advanced capitalist countries.

This thesis conceptualises labour market flexibilisation policies as part of the transformation in social relations of production that have allowed the rate of exploitation to increase in many capitalist countries. Flexibilisation policies are thereby part of measures pursued by the state in supporting capitalist classes to extract more surplus value from workers and accumulate capital further.

A critical aspect of the analysis is the framing of labour market flexibilisation as a concrete capitalist class struggle to (re)produce an exploitable labour force.

This research delves into the specific policies and practices that have contributed to this unique labour market scenario in France. It examines how flexibilisation policies have been implemented and rationalised, and the role of the state in facilitating these changes. The study critically analyses how these policies have affected the nature of employment, the stability and quality of jobs, and the overall balance of power between employers and employees. It also explores the broader implications of these policies for social inequality, workers rights, and the resilience of the labour movement.

By situating the French case within the larger context of neoliberal transformations, this research contributes to a deeper understanding of how global economic trends intersect with national labour market policies. The Marxist political economy perspective enables a critical examination of these

intersections, revealing how flexibilisation policies are economic tools of class struggle and power redistribution.

The intricate socio-historical landscape of France, marked by a series of political, economic, and social transformations, has played a crucial role in shaping the country's labour market policies. This thesis posits that the French establishment, influenced by these multifaceted factors, devised and implemented labour policies that ostensibly empowered workers through the provision of negotiation platforms. However, a critical examination of these policies reveals a more nuanced reality, where the purported negotiation power granted to workers was largely illusory, serving more as a facade than a genuine empowerment.

At the heart of this analysis is the exploration of how these policies, under the guise of promoting worker participation and representation, subtly eroded the actual bargaining power of the workforce. The thesis scrutinises various labour market reforms and initiatives, seeking to uncover the mechanisms through which these policies created a semblance of negotiation power among workers. It delves into the dynamics of collective bargaining processes, the role of unions, and the regulatory frameworks governing labour relations, to understand how these elements have been manipulated to maintain the dominance of capitalist interests.

This research focuses on whether flexibilisation policies act as a mean to discipline labour and reproduce surplus.

## 1.2 Research Questions

The central inquiries of this research are formulated to critically explore the concept of flexibilisation policies within the framework of Marxist political economy, specifically focusing on the French context. These questions aim to dissect the nature, implementation, and socio-economic implications of these policies.

The first research question seeks to conceptualise flexibilisation policies through a class relational perspective.

The second research question delves into the specific manifestations of flexibilisation policies in France. It aims to identify and analyse the various strategies and reforms implemented as part of the flexibilisation agenda, including changes in labour laws, alterations in union rights, and the restructuring of collective bargaining processes. The focus is on understanding how these policies have been uniquely tailored or adapted to the French socio-economic and political landscape.

The third question investigates the reasons behind France's distinctive policy approach, characterised by high collective bargaining coverage coupled with low union density. This part of the research seeks to explore the socio-political and economic factors that influenced the adoption of this approach. It examines the role of the state, the interests of the capitalist class, and the responses of labour unions to these policies. The aim is to understand the strategic considerations of expanding collective bargaining coverage while simultaneously experiencing a decline in union density.

From a class relational perspective, flexibilisation policies need to be situated in the particular patterns of accumulation and reproduction of surplus value, and therefore the linkages between flexibilisation policies and the need for capital to extract surplus value from labour requires further investigation. Classes *appear* in their relations to the means of productions, but which are operationised within broader social relations of production. This definition contrasts the mainstream idea that classes are determined by common socio-economic features -- for instance class is often associated to income: the 'middle class' referring to people whose income is situated in the middle of the income distribution (Wright, 2005:p2). From a relational perspective, capitalist class relations are *in essence* conceived around the opposition between wage labour and capital. To analyse class relations empirically, the antagonism between wage labour and capital needs to be analysed in its social and historical specificities, which interplay with other forms of social relations, including gender and ethnicity (Campling et al., 2016: p1753). The aim is to understand the dynamics between labour and capital as well as the dynamics within labour and capital.



The existing literature lacks of class relational analyses on labour market flexibilisation policies. This thesis provides a framework to enable the analysis of these policies and their interactions with major classes and their subsets. The aim of this thesis is to provide evidence that flexibilisation policies foster the divide within the working class – which places constraints on workers to unite. Increased intra-class disparities can be seen as a way in which social and political divisions amongst workers are deepened, and their capacity to resist exploitation is reduced.

This study will focus on France. This is because France has implemented flexibilisation policies in a peculiar manner. The industrial relations reforms in France, namely the expansion and decentralisation of collective bargaining coupled with low union density have led the way for flexibility to be implemented at the firm. This thesis will analyse why and how these peculiar reforms can be considered flexibilisation policies.

### 1.3 Thesis Overview

First, the literature review component of this thesis aims to provide a comprehensive examination of the existing body of research on flexibilisation policies within the European Union (EU) context. This exploration will encompass both mainstream and heterodox economic perspectives, scrutinising the various definitions and interpretations of flexibilisation policies. In mainstream economic literature, flexibilisation policies are often presented as beneficial to the labour market and the overall economy. This body of work generally posits that flexibilisation – typically understood as the loosening of labour laws, reduction of employment protection, and increased contractual flexibility – contributes positively to economic indicators. Central to this argument is the belief that such policies decrease unemployment rates by making the labour market more adaptable and responsive to economic changes. Furthermore, proponents argue that flexibilisation fosters economic growth by enabling businesses to operate more efficiently, adapt quickly to changing market demands, and allocate resources more effectively. The review will critically assess these claims, examining empirical evidence

and theoretical arguments. This critique will involve a detailed analysis of how mainstream literature establishes correlations between flexibilisation policies and economic variables like unemployment rates and GDP growth,. Contrasting with mainstream views, the heterodox literature provides a critique of flexibilisation policies. For instance, Post-Keynesians argue that rather than reducing unemployment and enhancing growth, flexibilisation often leads to an increase in unemployment and exacerbates inequalities within the labour market. This school of thought contends that flexibilisation policies undermine job security, weaken collective bargaining power, and result in a race to the bottom in terms of wages and working conditions. Such outcomes are believed to contribute to increased economic disparities and social inequality. This review will delve into the Post-Keynesian critique, evaluating the theoretical underpinnings and empirical evidence supporting their stance. It will explore how Post-Keynesians link flexibilisation policies to economic variables such as the distribution of income, the stability of employment, and the overall health of the labour market. The literature review points towards a lack of unified consensus on the definition of flexibilisation policies which is applicable ubiquitously.

The ensuing section establishes a theoretical framework to define labour market flexibilisation, adopting a class relational perspective. This approach involves an in-depth exploration of the concepts of class and power, effectively bridging the abstract and the concrete. At the core of this framework lies the notion that labour market flexibilisation cannot be comprehensively understood without considering the dynamics of class relations. This perspective emphasises the power imbalances between different classes within the labour market, particularly between capital and labour. The framework posits that flexibilisation policies are often shaped by, and in turn shape, these class dynamics, reflecting broader socio-economic power structures. To elucidate this, the chapter delves into the theoretical underpinnings of class as a concept, drawing from classical Marxist theory as well as contemporary interpretations. It critically examines how class is constituted, its relation to the means of production, and the manner in which class relations influence labour market policies and practices. Furthermore, the chapter explores the concept of power in the labour market, considering

both its overt and covert forms. This includes an analysis of how power is exercised and negotiated in the context of employment relations, and the ways in which flexibilisation policies can alter these power dynamics. By linking the abstract concepts of class and power with the concrete realities of labour market flexibilisation, this framework seeks to offer a more nuanced and critical understanding of the phenomenon. It provides a lens through which flexibilisation can be analysed not merely as an economic policy but as a manifestation of underlying class relations and power struggles within the labour market. This theoretical foundation paves the way for a deeper analysis of labour market flexibilisation, facilitating a more critical and holistic understanding of its implications and dynamics from a class relational standpoint.

Then, chapter 4, embarks on an in-depth exploration of the unique characteristics of labour market flexibilisation in France. This chapter adopts a socio-historical lens to understand the paradoxical coexistence of high collective bargaining coverage alongside low union density within the French labour market. The chapter begins by outlining the historical context of labour relations in France, tracing the evolution of labour laws and practices from the post-World War II era to the present day. This historical narrative reveals the unique trajectory of labour market regulation in France, marked by strong state intervention and a distinct approach to industrial relations. A key focus of the chapter is the analysis of collective bargaining in France. Despite the relatively low union membership, France has a high rate of collective bargaining coverage. This phenomenon is explored through a detailed examination of the legal frameworks and institutional arrangements that facilitate collective bargaining at various levels – national, sectoral, and company. The analysis delves into how these arrangements have contributed to the shaping of flexibilisation policies, often in ways that differ from the patterns observed in other advanced economies. Furthermore, the chapter scrutinises the low union density in France, probing into the factors contributing to this situation. It considers the role of the French state, the nature of union movements, and the socio-political context that has influenced union membership trends. The chapter also discusses the implications of low union density for worker representation and power dynamics in the labour market, particularly in the context of implementing

and negotiating flexibilisation policies. By juxtaposing high collective bargaining coverage with low union density, the chapter provides a nuanced understanding of the French labour market's peculiarities. It sheds light on how these unique characteristics influence the development, implementation, and outcomes of flexibilisation policies, offering insights into the broader socio-economic implications of these policies in the French context. This socio-historical analysis contributes to a more comprehensive understanding of the complexities and contradictions inherent in the French labour market, thereby enriching the discourse on labour market flexibilisation from a class relational perspective.

In Chapter 5, the focus shifts to an in-depth analysis of macro-level data pertaining to unions, collective bargaining, and material conditions. This examination is crucial for understanding the broader implications of labour market flexibilisation policies, as it sheds light on both inter and intra-class relations. The chapter systematically unpacks the data related to unions, scrutinising their structure, strength, and influence in the context of France's labour market. This includes an evaluation of union density and the role of unions in shaping labour policies and worker rights. The analysis of collective bargaining delves into how these negotiations have evolved over time, especially in the face of growing labour market flexibilisation. It assesses the changes in collective bargaining and labour relations, considering aspects such as working hours and employment conditions. By integrating this macro-level data, Chapter 5 provides a comprehensive view of the dynamics at play in the labour market. It emphasises the interconnectedness of unions, collective bargaining, and material conditions, and how these factors collectively shape the experiences of different classes within the labour market. This analysis contributes to a nuanced understanding of the socio-economic impacts of labour market flexibilisation policies in France, highlighting the complexities and varying consequences for different segments of the workforce.

Finally, Chapter 6 presents a case study of the French telecommunications company, Orange. This case study serves as a practical illustration of the theoretical concepts discussed in the previous chapters,

particularly focusing on the application of labour market flexibilisation policies within a corporate context. The choice of Orange for the case study is significant, as it represents a major player in the French telecommunications sector, a field that has undergone substantial transformations in recent years. This chapter will examine how Orange has navigated and implemented labour market flexibilisation strategies. Key areas of focus will include changes in employment contracts, wage structures, working conditions, and the role of unions within the company. Through this case study, the chapter aims to provide a detailed analysis of how flexibilisation policies are actualised in a corporate setting, and their implications for both employees and management. The case study will also consider how Orange's approach to labour flexibilisation reflects broader trends in the French economy. By incorporating this case study, the final chapter aims to bridge the gap between theoretical analysis and practical application, offering valuable insights into the real-world impact of labour market flexibilisation policies. This comprehensive examination will contribute to a deeper understanding of the complexities and nuances involved in the implementation of these policies within a major French corporation.

## 2 Literature Review

In the evolving landscape of global economies, labour market policies have become a cornerstone in shaping the socio-economic fabric of nations, especially within the European Union. This chapter delves into a comprehensive literature review, critically examining the trajectory, implications, and outcomes of labour market flexibilisation policies implemented across the EU since the 1980s. Our journey begins with a retrospective glance at the origins and evolution of these policies, exploring their theoretical underpinnings and practical applications in various European contexts.

The concept of labour market flexibilisation, often touted as a universal remedy for economic issues such as high unemployment and stagnant growth, has stirred a robust debate among economists, policymakers, and scholars. This review aims to dissect these arguments, scrutinising the empirical evidence and theoretical models that have both supported and challenged the efficacy of flexibilisation policies. We will navigate through the intricate maze of definitions, theories, and interpretations, shedding light on the multifaceted nature of labour market dynamics within the EU.

Central to this examination is the exploration of the real-world impacts of these policies on employment rates, economic growth, wage structures, and income inequality. The chapter rigorously analyses the data-driven correlations and causal relationships posited by various scholars, juxtaposing these findings with the theoretical assertions that have long dominated economic discourse. By critiquing the methodologies and conclusions of seminal studies, this review endeavours to present a balanced and nuanced understanding of how labour market flexibilisation has reshaped the European labour markets.

As we delve into this analysis, special attention is paid to the social and political ramifications of these policies. The narratives of workers, trade unions, and employers form the human backdrop against which these economic theories and policies play out. This chapter, therefore, is not just a review of economic literature but a critical inquiry into the complex interplay of economics, politics, and society in the realm of labour market policies.

In synthesising this broad array of perspectives, this literature review aspires to contribute meaningfully to the ongoing discourse on labour market flexibilisation. It seeks to offer clarity amidst the complexity, providing readers with a comprehensive understanding of where these policies have led the EU, the lessons learned, and the potential pathways forward in an ever-changing economic landscape.

## 2.1 Background

From Figure 2.1 below, we can see that the aggregate data for EU 15 countries reveals higher level of unemployment rate since the 1980s from which these countries have failed to recover ever since.<sup>1</sup> Figure 2.2 also shows that there has been a decline in the rate of aggregate economic growth of the EU 15 since the 1980s from which the region has also failed to recover. Sharp decline in growth rates can be observed particularly during the oil crisis of the 1970s and also in the aftermath of the 2008 financial crisis. Flexibilisation policies have been implemented both in the aftermath of the 1970s oil crisis and the 2008 financial crisis using the rhetoric that a flexible labour market will solve the unemployment problem and restore economic growth. In the mainstream rhetoric, such policies include: weakening or removal of trade unions, weakening or removal of collective bargaining, removal of employment protection legislation (EPL), decrease in the real minimum wage, real wage volatility, decrease in the tax wedge, zero-hour contracts, temporary work, part-time work, and other forms of flexible work contracts, amongst others.

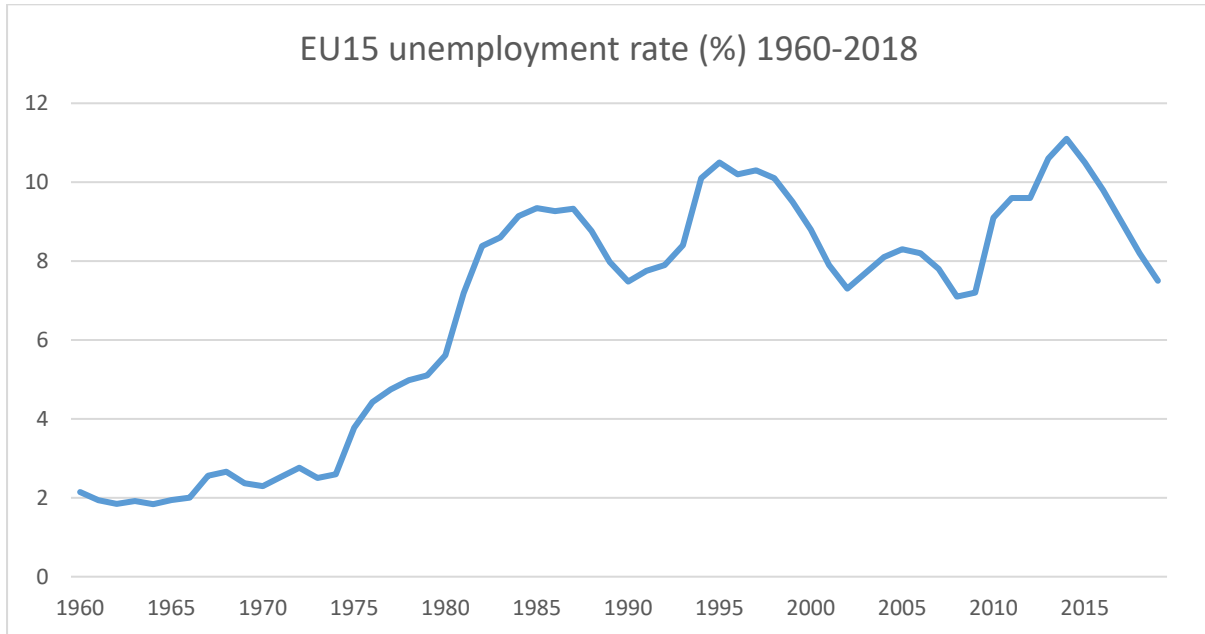
An example of these would be the El Kohmri law, adopted in 2016, which aims at making France's labour market more flexible. The law is a labour code reform and it was put forward using the justification that it will help decrease unemployment. The reform includes severe reductions in employment protection legislation but also looser laws concerning flexible work contracts (Davis, 2016). Similar reforms were implemented in many other European countries, including Belgium, Spain

---

<sup>1</sup> Note that the data we analyse is split in half as Germany was reunified in 1991. Therefore, a peak or a dip around 1991 could simply reflect the addition of Eastern Germany to the data.

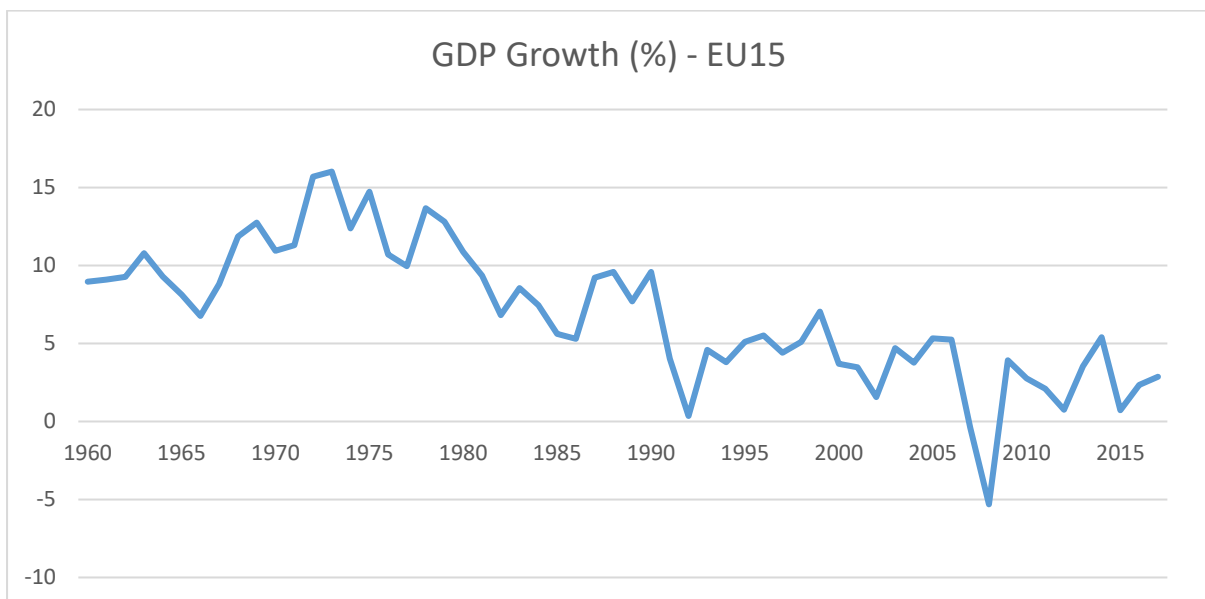
and Italy around the same period in response to their failure to recover from the 2008 crisis. These flexibilisation packages are heavily inspired from the German Hartz reforms, implemented throughout 2003 and 2004 to tackle German unemployment.

Figure 2.1: Unemployment Rate in the EU 15 (1960-2018)



Source: <sup>1</sup> Data from AMECO: 'Unemployment rate: total :- Member States: definition EUROSTAT (ZUTN)'

Figure 2.2 GDP Growth in the EU 15 (1960-2018)



Source: Data from AMECO: Gross domestic product at current prices (UVGD)



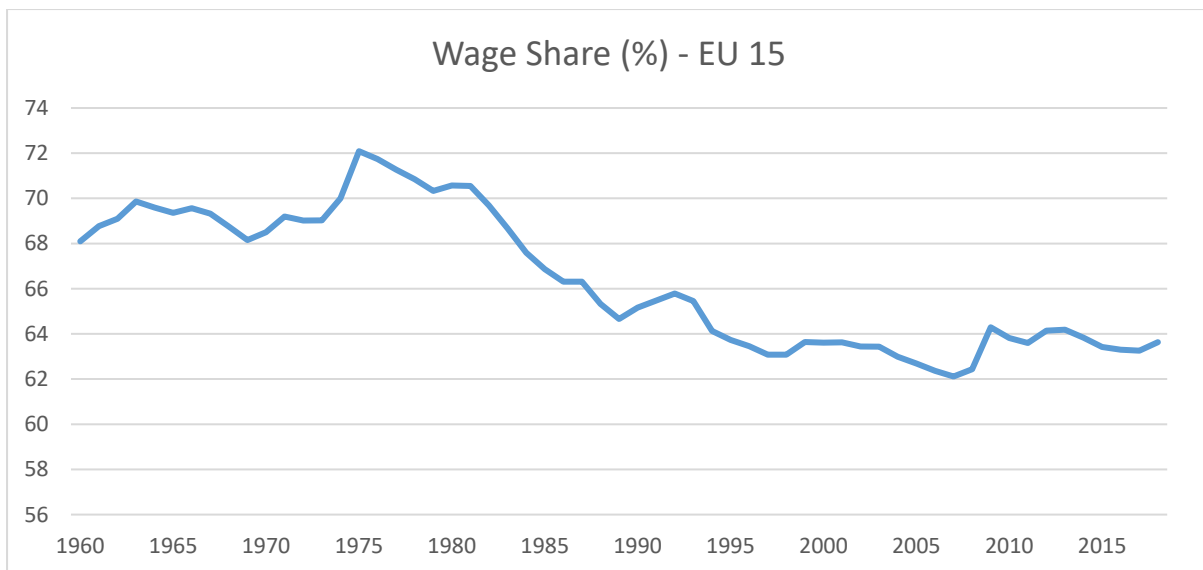
In the 1980s, the Thatcher government enacted a series of laws that heavily weakened trade unions in the United Kingdom. While these laws were implemented using the justification that the flexibilisation of the labour market can increase economic efficiency, the real motive behind these appear to have been different. Indeed, Thatcher spoke about the miners' strikes with great disdain: *'We had to fight the enemy without in the Falklands. We always have to be aware of the enemy within, which is much more difficult to fight and more dangerous to liberty'* (Thatcher, 1984). In addition, Sir Alan Budd who was Thatcher's Special Adviser at the Treasury commented that the Thatcher government *"never believed for a moment that [monetarism] was the correct way to bring down inflation. They did however see that this would be a very good way to raise unemployment. And raising unemployment was an extremely desirable way of reducing the strength of the working classes. [...] What was engineered – in Marxist terms – was a crisis of capitalism which re-created the reserve army of labour, and has allowed the capitalists to make high profits ever since"*<sup>2</sup>. Therefore there is an argument to be made that these policies were implemented more so to oppress the working class and not just to improve economic indicators.

Interestingly, we can also observe from Figure 2.3 that the wage share in the EU 15 has been falling since the 1980s. This might also be indicating that inequalities based on their economic position have been increasing in these European countries. As pay flexibility is an important element of flexibilisation policies, the observed wage shares in Figure 2.3 could also suggest that the aggregate trend in the EU 15 has been one of wage restraint rather than upward wage flexibility, even if there may have been variations across countries, regions and sectors. We will discuss these hypotheses further in the literature review.

---

<sup>2</sup> (quoted in New Statesman, 13 January 2003, p.21)

Figure 2.3: Wage share in the EU 15 (1960-2018)<sup>3</sup>



Source: AMECO

## 2.2 Definitions

Although flexibility is commonly used to justify various labour market policies, there is no consensus on what it entails. According to Standing (1999, p49), the customary definition of flexibility is: *‘the extent and speed of adaptation to market shocks, the suggestion being that institutional and behavioural rigidities in labour markets and enterprises slow price and quantity adjustments’*. In other words, Standing suggests that the mainstream definition involves conceiving flexibility in relation to how quickly and to what extent labour markets react to shocks, with the implication being that institutions prevent markets from clearing. Note that Standing (1999: p75) argues that market regulations have come to replace collective regulations – there is no such thing as a deregulation process but rather a shift in types of regulations. This definition is quite broad and does not point to any specific policy, but it pins down the rhetoric used by the orthodoxy to justify many labour market policies.

<sup>3</sup> Data from AMECO: Adjusted wage share: total economy: as percentage of GDP at current factor cost (Compensation per employee as percentage of GDP at factor cost per person employed.) (ALCD2)

Fine (1998: P74) characterises flexibility as the *'absence of wage-rigidity, especially in the context of unemployment and otherwise working labour markets'*. The notion of flexibility was brought forward in order to justify reductions in real wages and, more fundamentally, to undermine the capacity of labour to defend themselves through trade unions and government legislation and policy. In other words, while flexibility primarily relates to the absence of wage-rigidity, the concept includes the focus not just on lower wages but also on the undermining of workers' rights and bargaining powers. This makes way for an extension of the definition that goes beyond flexibility as being simply about wages, and includes working hours, employment rights, and broader labour market institutions. Fine's emphasis on wage flexibility offers some insights on the idea that flexibility, by its nature, will have effects on reducing real wages as well as on workers' rights, and therefore may be harmful for certain categories of workers.

Solow (1998: p190) also points out that there is a lack of clear, concise definition regarding labour market flexibility, and has defined flexibility using a more pragmatic approach from a Neoclassical economics framework. The Beveridge curve plots the relationship between unemployment and the job vacancy rate, which moves outward as levels of vacancies and unemployment increase. Using this framework, Solow (1998: 192) defines the point of origin as being the state where the labour market is perfectly flexible and there is no unemployment or vacancies. Farther the Beveridge curve is from the point of origin, the less flexible is the labour market. While this definition could be useful to determine whether the policies made the labour market more flexible or not, it does not prescribe specific policies to achieve flexible labour market as such.

Atkinson and Meager (1986: p1-2) have observed that three factors have led firms to push towards flexibility: to improve productivity, to adjust for an increasingly volatile and uncertain market, and finally to employ workforce that can adapt to the rapidly changing new technologies. It is important to note that Atkinson and Meager look at this from a microeconomic perspective and therefore largely ignore the macroeconomic implications of such a policy. Atkinson and Meager (1986: p4) have

identified four types of flexibility. The first, 'numerical flexibility' refers to the idea that the amount of labour input should match the amount needed to produce the quantity of output demanded by the consumer at the point in time. This can be achieved by hiring workers on part-time or temporary basis, as opposed to giving workers permanent contracts. It can also be achieved by shifting the sector in which firms operate to one where there is less employment protection and allows for more flexible deployment of labour. Standing (1999: p125) however criticises the idea that protective regulations affect unemployment level by challenging empirical evidence in support of it. (Standing, 1999, pp. 105–124) also adds to the definition by referring to 'numerical flexibility' as the ease to hire and fire workers, which can be achieved through changes in employment protection, either through the law or employing workers on a flexible contract (this may refer to temporary or part-time workers amongst many others). The second, 'functional flexibility' refers to the deployment of workers with transferable skills in order to move them within and between jobs more easily (Atkinson and Meager, 1986: p4). It also refers to the ability of the workplace to adapt to changes in the market and technologies (Standing, 1999: pp105-124). The most significant aspect of this relates to working time flexibility such as 'flexitime' and overtime. The third, 'distancing strategy' refers to the hiring of external workers. This is a process of firm flexibilisation through outsourcing production. In addition, as there is a trade-off between the economies and diseconomies of scale when a company grows, it can be less risky to use a smaller company's goods and services so as to facilitate seasonal and cyclical adjustments. This is a form of labour flexibilisation as it also allows a firm to indirectly use external workers – without the inflexibilities such as insurance, turnover, etc. associated with the employment of internal workers (Atkinson, 1985, pp. 11–18). Finally, 'pay flexibility' refers to incentives that reinforce both functional and numerical flexibility i.e. the cost of labour reflects the labour market cost of the worker but also workers can be paid based upon their performance. In other words it facilitates the adjustment in a worker's wage based on its productivity. We can see that all the orthodox definitions look at economic efficiency, especially Atkinson who focuses heavily on improving the firm's profitability through increased flexibility.

The exploration of various definitions of labour market flexibilisation in this section underscores a fundamental challenge in the field of labour economics: the absence of a ubiquitous definition. This lack of consensus is not merely an academic oversight but reflects the complex, multifaceted nature of labour markets and the diverse interests and perspectives of those studying and shaping them. The discussion also highlights a significant gap between theoretical models and the lived realities of the labour market. While theorists may seek to neatly categorise and define concepts, the dynamism and complexity of real-world labour markets often resist such simplification. This is particularly evident in the different ways that flexibilisation is applied and understood in varying national and regional contexts. This is where this thesis aims to a contribution, by introducing a Marxist definition of labour market flexibilisation. A Marxist approach allows us to view labour market flexibilisation not just as an economic strategy for efficiency or adaptation to market demands, but as a mechanism within the larger context of capitalist relations and class struggle. This perspective delves into how flexibilisation policies can be understood as tools that potentially perpetuate and exacerbate the power imbalances between capital and labour. By applying this lens, the thesis contributes a critical dimension to the understanding of labour market policies, framing them within the ongoing discourse of labour rights, capitalist exploitation, and class struggle.

### 2.3 The Enduring Prominence of Flexibilisation Policies

The flexibility debate has been a prominent one in the economic literature over the past 50 years, if not earlier. It is important to analyse some of the early literature on the debate so as to understand how the policy became so prominent and persisting.

The 'stagflation' of the 1970s gave rise to labour market deregulations which entail a reduction in workers' security that was established post World War II (Standing, 1999: p53). Since then, many economists such as Nickell, Layard and Jackman have been asserting that a lack of flexibility causes unemployment (Layard et al., 1994). However, even after a decade of policy implementation, critiques

have argued that there existed very little evidence of the effectiveness of flexibilisation policies in reducing unemployment (Fine, 1998; Standing, 1999, pp. 73, 83). The OECD has also pointed out the flaws of flexibility arguing it increased inequalities (OECD, 1996). Indeed, flexibilisation policies have been justified more often on theoretical grounds even in face of contradictory empirical evidence, and yet these policies still continued to be put forward using the rhetoric that they would solve labour market problems (Meulders and Wilkin, 1987; Fine, 1998:p76).

We can take away from the literature above that although there was already little evidence of the positive impacts of flexibility on unemployment in the last two decades of the 20th century, the policy continued to be implemented.

To understand why flexibility was allowed to persist despite the lack of evidence, it is important to acknowledge how such policies became increasingly advocated. The literature below sets the theoretical impediments that justify policies advocating labour market flexibility within the historical context.

Standing (1999, p50) describes cycles of flexibility and rigidities as a historical continuity. Indeed, he looks at how the models of slavery and feudalism saw a shift from flexibility to rigidity and puts it in parallel with how European economies were more flexible before the rise of work regulations. The term welfare state was popularised in the 1950s as its relevance grew. The twentieth century and more specifically the post-World-War II period saw the enhancement of workers' rights and security as well as increase in social income (Standing, 1999: p53). This era of regulation started to get threatened in the 1970s. Indeed, because macro-economic instability and inflationary pressures built up in the 1970s, deflationary policies were commonly used and the welfare state started to get undermined (Standing, 1999: p53). Flexibilisation policies can in this way be perceived as an attempt to reproduce conditions for capital accumulation by enhancing the size of the reserve army of labour and sustaining the wage labour system more generally.

Fine (1998, p26) questions why economic theory did not take a radical turn in the 1970s as the socio-political atmosphere of the 1970s advocated progressive changes – opposing the conservative policies advocated by the likes of Reagan and Thatcher. Firstly, it simply is easier to build an analysis upon a widely used and accepted framework rather than questioning it. Secondly, the existence of a real economic alternative simply would not allow mainstream economics to coexist with new economic models that fundamentally differ. Thirdly, the orthodoxy was able to react, notably to the failure of the Phillips Curve as the trade-off between unemployment and inflation no longer was a reality. They did so by replacing adaptive expectations with rational expectations. This shift in economic theory had implications for NRU (Natural Rate of Unemployment) as it justifies *laissez-faire* policies. Indeed, as economic agents would eventually correctly forecast inflation, the inflationary policies aimed at reducing unemployment would in turn go back to the natural rate with the effect of increased inflation. Therefore the NRU explanation for high unemployment is that either it has risen over time due to an exogenous shock, or alternatively it is the persistence of short-run fluctuations that have resulted in high unemployment (Fine, 1998, p36). Indeed, the 1970s saw the rise of supply-side economics as the post war golden era marked by Keynesians policies took a toll following the oil crisis and the collapse of Bretton Woods (Fine, 1998; Standing, 1999, p61). The failure of the Phillips curve to explain a period of high inflation and high unemployment led to the rise of rational expectations and the Natural Rate of Unemployment (NRU) (and later on NAIRU) (Fine, 1998: p42). This new orthodox theory essentially meant that adjusting inflation to target unemployment would only result in inflationary pressures as workers would formulate their expectations in a way that the unemployment rate reverts back to NRU in the long-term (Fine, 1998: p28; Standing, 1999: p74). In the 1990s, a broader definition of NRU emerged so as to include institutions in the analysis. This is the shift from the NRU to the NAIRU (Non-Accelerating Inflation Rate of Unemployment). It puts forward the idea that the unemployment rate varies because of institutional changes rather than because of adjustment mechanisms. The problem with such a claim is that the policies resulting from this involve

reducing workers' bargaining powers and wages (Fine, 1998: pp42-48). Indeed, institutions such as trade unions and employment protection legislation protect the workers and permit them to improve their working conditions as well as negotiate a greater share of surplus value. In the 1970s, there is a renaissance of economic ideas that justify insecurity, including the rising significance of the Chicago school. Labour economics in the 1980s and 1990s was dominated by libertarians and supply side economists, who argued that employment security was responsible for labour market 'rigidity' (Standing, 1999: p205). The rise of monetarism in the wake of the oil crisis has successfully placed inflation as the main focus of economic policy – with stable inflation becoming the main economic target of most countries. This is particularly significant in the Eurozone countries that are bound by the same inflation target in spite of their economic differences. This gave rise to the orthodox notion that micro-economic tools were needed to achieve full employment - it is 'labour market rigidities' that cause unemployment. As a result, flexibilisation policy became the mainstream solution to unemployment as it aims at removing institutions and statutory regulations (Standing, 1999: p62).

The literature above highlights that the orthodoxy was able to explain empirical flaws through new theories. The emergence of this 'new orthodoxy' provides a theoretical analysis that has been used as a justification for flexibilisation policies. Of course the policy and the theory that informs it have been contested in the literature and stirred a new debate amongst labour economists.

## 2.4 Unemployment and Growth

Let us first look at the mainstream<sup>4</sup> theories advocating the removal of labour market 'rigidities' citing unemployment and economic growth for its rationale. Using an equilibrium analysis, Scarpetta (1996)

---

<sup>4</sup> Mainstream economics refers to the body of work that is widely accepted and taught in schools and universities. It includes, but is not limited to, the Neoclassical and some versions of Keynesian school of thoughts in economics. The broad mainstream view regarding labour markets is that labour market institutions prevent



demonstrates through a set of identities, that institutional factors have the power to increase unemployment. This analysis relies on a set of unrealistic assumptions that involve (a) the existence of a perfect market clearing mechanism, (b) the firms following imperfect competition<sup>5</sup> and are always profit-maximising, (c) market conditions being exogenously given and (d) physical capital and technology being predetermined (Scarpetta, 1996). From the analytical framework of this PhD research, this approach is inadequate as it focuses on unemployment without looking at whether employment has become more precarious. In an empirical study, Siebert (1997) also drew the conclusion that labour market rigidities are responsible for unemployment in Europe. According to Nickell (1997: p72), certain labour market rigidities, such as high unemployment benefits combined with long benefit period, strong unionisation with collective wage bargaining and, low coordination and high tax wedge, tend to have a positive effect on unemployment. He also suggests that other types of 'rigidities', such as employment protection legislation, high unemployment benefits when accompanied by incentives (such as low benefit period) and trade unions when there is high coordination, have insignificant effects on unemployment. In general, labour market rigidities tend not to have a strong effect on unemployment as long as they are accompanied by offsetting conditions. It is important to note that Nickell based his study on the 1983-1996 period on 20 OECD countries<sup>6</sup> and it is therefore necessary to assess if these results are still relevant for today's context in the EU15, especially given that Nickell's data included only West Germany. In addition, while Nickell is a proponent of labour market flexibilisation, his conclusions are far from convincing as the estimated coefficients for the positive correlation between unemployment and rigidities are too small to advocate the policy.

---

the labour market from clearing and therefore negatively affect economic indicators such as employment, growth, productivity, and investment.

<sup>5</sup> Imperfect competition refers to competition that does not present all the characteristics of a competitive market (according to neoclassical theory). Examples includes monopoly and oligopolies.

<sup>6</sup> Austria, Belgium, Denmark, Finland, France, Western Germany, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, Canada, United States, Japan, Australia, New Zealand

Saint-Paul (2004,p51) explains that theoretically, *ceteris paribus*, labour market rigidities tend to drive wages up as they give workers more bargaining power. However, this is based on the assumption that an increase in wage can only be sustained by a corresponding increase in productivity, and if this is not the case then the wage increase will lead to increase in the natural rate of unemployment (Layard et al., 1994). This assumption has been challenged even within the mainstream theories, including by the wage efficiency argument that an employer may pay its employees more than their market clearing wage either to enhance workers' efficiency or to retain workers in the company. From a Marxist framework, this assumption is problematic at a more fundamental level as surplus value extraction implies that workers are not fully compensated for their work.

Saint-Paul (2004:p50) hypothesises that rigidities are the reason unemployment rates in many European countries (such as France, Italy, Spain, and Greece, amongst others) have failed to recover from the oil shocks of the 1970s. This conclusion is tautological as the observed increase in the labour market rigidities of those countries from the 1960s onwards are measured in relation to the difference in unemployment rate with that of countries that have managed to recover their unemployment levels as the benchmark. This conclusion also ignores factors which could explain unemployment heterogeneity in Europe. Blanchard and Wolfers (2000: pp16-32) similarly attribute differences in unemployment across countries to institutions, but inconsistently also point out that it is the interactions between shocks and institutions that cause high unemployment and heterogeneity in the cross-countries figures. They add an element of explanation to the disparities between European figures by suggesting that institutions are not a shock themselves but that they cause unemployment to remain high after a shock. Fine (1998: p72) also critiques the dichotomy between the labour market and labour market institutions inherent in orthodox labour economics. Labour markets and their institutions cannot be exogenous as they affect each other. This is in contrast to Layard et al. (1994) who put forward the idea that institutions act as a shock on the NAIRU.

Sawyer (2004) argues that the incapacity of governments to reach full employment level is not due to labour market inflexibilities. Sawyer (2004: p13) advocates that the NAIRU (Non-Accelerating Inflation Rate of Unemployment) should be reached by stimulating aggregate demand and expanding the economy's productive capacity. This challenges the traditional view in neoclassical economics and governments pursuing flexibilisation policies that the NAIRU will decrease following market deregulation. Note that although many studies find a correlation between high unemployment and a high unemployment benefit system (Nickell, 1997: p67), Baker et al. (2002: p12) point out that this does not prove causation as it may be that government increase unemployment benefits as a results of an increase in unemployment.

Howell et al. (2007) stress many of the flaws of empirical studies that purport to promote labour market flexibilisation. Their main criticism is that studies such as Nickell et al. (2005), Bassanini and Duval (2006) and Baccaro and Rei (2005) present a lot of data interpolation, which lead them to question the reliability of such studies. Also, they question the reliability of the data for labour market institutions, mainly the body of work that originated from Nickell, Layard and Jackman (1994). In addition, it is argued that those in favour of labour market flexibility unveil a biased viewpoint by relying mainly on theory and largely ignoring issues such as asymmetries.

Baker et al. (2002: pp19-21) find no correlation between unemployment and labour market institutions. Similarly to Howell et al., they point out that many studies advocating labour market flexibility are not robust and that their results vary. For example, using the methodology of Nickell (1997) and the data from Nickell et al. (2001), Baker et al. (2002: p48) obtain different results to what these studies suggest.

According to Dosi et al. (2016), flexibilisation is not the solution to unemployment, growth and income redistribution in the European Union and suggested that it could even negatively affect these indicators. Avdagic (2015) does not find evidence that employment protection legislation has an adverse effect on unemployment or youth unemployment both in Central and Eastern Europe for the

period 1980-2009. However, Avdagic (2015:p21-22) suggests the results may differ depending on the study because of the time, place and context of the data.

Therefore, there is no systematic evidence to oppose employment protection policies using the rhetoric it will help reduce unemployment, and increase growth.

Amongst the labour market 'rigidities', many economists have highlighted high dismissal costs as preventing job creation and increasing unemployment (Lazear, 1990; Scarpetta, 1996; Siebert, 1997; Elmeskov et al. 1998; Blanchard and Wolfers, 2000; Blanchard and Portugal, 2001; Saint-Paul, 2004; Nickell et al., 2005). After presenting his theoretical model, Lazear (1990:pp709-721) finds empirical evidence that high severance pay is associated with (i) a decreased number of jobs, (ii) a decrease in the size of the labour force as well as (iii) an increase in the unemployment rate. Lazear's analysis can be critiqued at a number of levels, including its statistically inconsistent results and the parsimonious model with a causality problem. The theoretical idea is that high dismissal costs lead firms to be more wary about employing new workers and therefore slows down job creation (Scarpetta, 1996: pp45-49).

Of institutions that raises dismissal costs for firms, Blanchard (1999) as well as Blanchard and Wolfers (2000) focus on unemployment insurance. It is argued that unemployment insurance both creates an incentive for the unemployed to search for work less intensively but can also create a 'wage bargaining effect' as unemployment benefits make unemployment 'less painful' for workers. While the former can lead to higher unemployment, the latter may result in an increased equilibrium unemployment duration as the 'wage bargaining effect' pushes the firm's costs up.

The orthodox literature such as Atkinson (1985) postulate that flexibilisation fosters productivity. However, high dismissal cost can lead to a decrease in productivity as there is no incentive to introduce labour saving technologies – this has been empirically demonstrated by Scarpetta and Tressel (2004:

p16) as well as Bassanini and Ernst (2002: p30). Firms may not invest in machinery that can replace labour and make the production process more efficient because of the cost incurred from dismissing workers (assuming the firm does not have an internal labour market to redesignate its workers). However, we could argue that dismissal costs lead to lower turnover and therefore make workers more productive as they gain more experience within the firm. Storm and Naastepad (2009:p649) argued that the flexibilisation of labour leads workers to be less involved in technological innovation and lack the incentives to cooperate for the firm's organisation. They also argue that labour market rigidities create an incentive for the firm to invest in labour saving technologies. Overall, Storm and Nastepaad find empirical evidence that the flexibilisation of the labour market has a negative impact on productivity. The situation where strong employment protection such as high dismissal costs reduces productivity tends to happen where there is a lack of wage coordination (Scarpetta and Tressel, 2004).

While neoclassical economists argue that downward labour wage flexibility improves unemployment, Kleinknecht (1998:p388) argues that while this may well work in the short-term, in the longer-term it could hinder innovation. For instance flexible wages can allow non-innovative firms to decrease wages as workers may accept the lower wage over unemployment. This may therefore lead to aggressive wage competition as innovative firms tend to pay their workers more. Therefore, in the absence of collective wage agreements, innovative firms will not be able to compete with the lower wages of non-innovative firms (Kleinknecht, 1998: pp391-392).

Another type of institution highlighted by proponents of flexibilisation policies are job protection policies. Blanchard and Wolfers (2000: p13) argue that employment protection both decreases the movement of workers within the labour market and increases the duration of unemployment. These phenomenon occur because firms face higher costs both directly due to higher firing costs and indirectly by maintaining less productive jobs, but also because job security gives workers more power in wage bargaining (Blanchard, 1999: p12). These factors lead to sluggishness within the labour

market and increase the quantity of the long-term unemployed as well as the unemployment duration. Theoretically, the net effects of employment protection on unemployment itself are unclear as labour turnover decreases while firms' costs increase. Again, it can be argued that those in an unskilled job will be the ones suffering from the removal of job security policies, as 'secondary' workers get dismissed in greater numbers during an economic downturn<sup>7</sup> (Atkinson, 1985: p5). Therefore, if the decrease in job protection is not accompanied by active labour market policies, it may well increase unemployment and lead the newly unemployed to become long-term unemployed or discouraged, especially if they do not possess the type of skills required for re-employment. In addition, employment protection may well increase workers' bargaining power as well as the power of trade unions (Bassanini and Ernst, 2002: p11). There is also a claim that job protection creates a skill mismatch, which decreases workers' productivity as they do not work in the position they are at their most productive (Abraham and Taylor, 1996; Bentolila and Saint-Paul, 1994; Boeri and Garibaldi, 2007). This in turn means that the quality and availability of skilled workers is hampered, which can be a problem for technological innovations (Bassanini and Ernst, 2002: p11).

Lucidi and Kleinknecht (2009: p530) argue that employment protection will enhance firms' incentives to invest in training and education – progressively shifting workers in the internal labour market from old declining jobs to new jobs . Lucidi and Kleinknecht (2009: p531) also point out that employment protection gives an incentive for workers to cooperate with management to carry out their work more efficiently. This is based on the premise that workers who are threatened to lose their jobs lack incentive to share information with management. Kleinknecht (1998: p394) argues that a flexible labour market does not provide incentives for the employer to invest in education and training as competitors will be able to take advantage from some of it. The training costs may also end up being redundant as employment under a highly flexible labour market is short-term (Lucidi and Kleinknecht, 2009: p530).

---

<sup>7</sup> Secondary workers are often, but not always unskilled. It generally refers to those workers who are easier to dismiss either because of the nature of their contract (temporary workers for example) or because of their skills (Bewley, 1995: pp251-252).

From the literature above, we cannot say that rigidities uniformly cause unemployment or foster growth, and therefore the rhetoric of lowering unemployment cannot justify flexibilisation policies in general. In addition, these studies focus on low unemployment as a macroeconomic goal but do not assess the costs of achieving such an end with these means. In particular, these studies disregard that these policies, even if they improve unemployment (for which there is no systematic evidence) may come at a cost in terms of work quality and pay. Indeed, being part of the employed population does not mean that the worker has escaped poverty as there still exist a problem of in-work poverty (Bardone et al., n.d.). The literature also fails to address that there could be a class-relational element that explains the existence of these policies.

Let us now look at pay flexibility, which is as we have seen previously when looking at Fine's definition, the core component of labour market flexibility. Pay flexibility has important implications for class relations as increased wage inequalities constraint the ability of labour to unite. Previously, we saw that the wage share in Europe has been decreasing since the 1980s. The literature below argues that Europe has been suffering from downward wage flexibility in the form of wage restraint.

There are two growth models through which wage restraint can affect the economy as a whole. The first is a growth model based on wage moderation, which is referred to as a profit-led growth model whereby a higher profit share boosts aggregate demand (Onaran and Obst, 2016). The second is a wage-led growth model, whereby a higher wage share promotes economic growth. Onaran and Obst (2016: p1537) have found in their analysis on the EU 15 that demand is wage-led. Although a few of these countries follow a profit-led model, it is important to note that an increase in profit share will have a negative impact on the EU15 as a whole (Onaran and Obst, 2016:p1528-1537). Therefore, while profit-led countries can stimulate demand through wage moderation, it is nonetheless not a policy that can be applied across all European countries as it has been empirically shown to have an overall

negative impact on demand (Stockhammer and Onaran, 2012: p196-197). For example, Germany has been able to stay competitive, not because of technological advantages alone as is commonly thought, but because of wage restraint (Stockhammer, 2011). This has allowed Germany to follow an export-led growth policy and therefore to run a current account surplus. However, by allowing Germany to run such a surplus, other countries (such as Greece) must be running a deficit. Lapavitsas et al. (2010: p11) have also noted that the German surplus reflected the deficits of Greece, Spain and Portugal. Spencer (2013) explains this phenomenon with the idea of a modern 'Utility Poverty Thesis' whereby maintaining wages at a low level allows a country to have large exports, and although this is a Mercantilist thought, it is still highly relevant in today's world. Therefore it can be argued that lower wages can make a country internationally competitive if the country follows an export-growth model. However such a policy comes at the cost of heavily oppressed workers. Indeed, many workers also saw a decrease in their wages in the direct aftermath of the 2008 crisis in many European countries, which pursued policies to remain internationally competitive (O'Farrell, 2010: p18). O'Farrell argues that in theory, the policy of 'simulated devaluation' should devalue the currency through a reduction in prices and wages, which in turn should increase international competitiveness. Although, what happened in practice – at least in the Eurozone<sup>8</sup> - was a reduction in wages with no associated decrease in the price of consumer goods. Therefore, there is a rationale to justify lower wages, but without a mirroring decrease in prices, the policy is ineffective in promoting economic growth and employment through higher international competition.

Onaran and Galanis (2012: p43) advocate the use of wage-led policies as a way out of the recession by showing how an increase in the wage share benefits both wage-led and profit-led countries. Onaran and Obst (2016: p13), similarly observe that a decline in the wage share hampers economic growth. This strengthens the idea that demand is wage-led and wage growth is essential to an economic recovery (O'Farrell 2010: p23). Therefore, wage increase has a positive effect on the economy as a

---

<sup>8</sup> Note that 21 countries were considered in this study: Bulgaria, Denmark, Estonia, Latvia and Lithuania were added to the 16 Eurozone countries for the analysis as their currencies are tied to the euro.



whole and wage restraint policy is not compatible with increasing economic growth (Lavoie and Stockhammer, 2013: p4; Stockhammer and Onaran, 2012: p200). Wage policy is the source of many problems the European Union is facing (Stockhammer, 2011; Stockhammer and Onaran, 2012). Although, this is reducing the source of the problem to one factor amongst many others, various problems the EU economies are facing can be tied back to wage policy. Indeed, Onaran (2011: p2) argues that the decrease in the wage share has led to a decrease in consumption, driving the economy towards a downward spiral and consequently reducing profits. This has been a 'realisation crisis' for the capitalist system (Onaran 2011: p1). We can link this with the idea that the European Union economic policies only offer short-term solutions and will fail to solve the system's problems in the long-run (Umney et al., 2017: p346). Umney et al. (2017) have argued wage restraint is a capitalist agenda to keep a firm grip on the workers.

The literature above establishes there is empirical evidence which demonstrates that increased wages would be beneficial for the EU15 economy and would increase profits through its growth-enhancing effect as well. However, as wage restraint policy persists, irrespective of its failure to reduce unemployment and increase growth, this leads us to question the prominence of class interests in the debate and how wage flexibility affects class relations. While Umney et al. (2017) explicitly state that wage restraint is a 'class discipline' instrument, their analysis lacks of a quantitative analysis to justify these claims.

This section's exploration into the relationship between flexibilisation policies, unemployment, and economic growth reveals a saturated yet inconclusive debate within economic literature. Despite decades of research and numerous studies regressing various economic variables against one another, a definitive consensus on the impacts of flexibilisation policies remains elusive.

Mainstream economic theories, notably those advocating the removal of labour market 'rigidities', have long posited that such measures are necessary for reducing unemployment and spurring economic growth. However, this perspective often relies on a set of assumptions that may not hold in

real-world scenarios, such as the existence of perfect market clearing mechanisms or constant profit-maximising behaviour of firms. Critics, including renowned economists like Fine and Standing, have pointed out the flaws in these theories, especially their failure to adequately address the more precarious nature of employment and the rising inequalities resulting from such policies. This section underscores the persistent divide between orthodox economists, who favour flexibilisation, and their heterodox counterparts, who often challenge these views. The Orthodox literature, while extensive, frequently fails to provide robust empirical results that conclusively justify the effectiveness of flexibilisation policies in achieving their stated goals. On the other hand, post-Keynesian analyses and other heterodox approaches, while critical of flexibilisation, often do not fully explore the class relational implications of these policies. What emerges from this discourse is a recognition of the complexity and multifaceted nature of labour market dynamics. The persistence of wage restraint policies, despite their questionable impact on unemployment reduction and growth stimulation, suggests that these policies may be more deeply rooted in class interests and power dynamics than in pure economic efficiency. As the debate continues, the need for a more nuanced understanding that goes beyond traditional economic variables becomes apparent. This includes a closer examination of the class dynamics and power relations inherent in labour market policies, which might offer a more comprehensive view of the real implications of flexibilisation. Such an analysis could contribute significantly to the ongoing discourse, providing a more grounded understanding of how and why these policies persist and their true impact on the workforce and the broader economy.

## 2.5 Inequalities

Calderon and Chong (2009: p79) highlight in their empirical study that certain labour market institutions such as trade unions lead to a more equal distribution of income while other regulations such as minimum wage legislation do not seem to have a strong impact on improving income distribution. Note that this analysis was carried out on 65 countries during the period 1970-2000 and

therefore these results may not be valid when looking at the EU15 today. Checchi and Garcia-Penalosa (2008: p610) have demonstrated that there exists a correlation between lower inequality levels and strong institutional factors. They note that labour market institutions tend to decrease the wage share, which increases the inequalities between 'capital owners' and 'non-capital owners'. However, this could also mean that there are greater inequalities between the 'non-capital owners' themselves. Because these policies affect labour, it is important to look at how they may affect different types of workers (uneven impact between and amongst primary and secondary workers, for instance) too.

According to Atkinson (1985: p3) flexibilisation of labour markets is 'pragmatic and opportunist' rather than being driven by a well-founded rationale. Moreover, Atkinson identifies these changes to be beneficial for the firm. He also predicts that the gap will widen between core and peripheral workers as flexibilisation affects job security, working conditions, and career prospects. Core workers usually occupy career-oriented jobs where they benefit from high security and full-time employment, more importantly core workers possess firm-specific skills (Atkinson, 1985: pp15-17). Peripheral workers can be divided amongst a first peripheral group where employees do not possess firm-specific skills, work full time, but their job does not lead to a career and does not offer high job security without firm-specific skills and a second group of peripheral worker which is similar unless for that they do not work full-time (Atkinson, 1985: p17).

Dual labour market theory emphasises that the labour market can be divided into two components: the primary and the secondary labour market (Doeringer and Piore, 1970: p271). The primary labour market is composed of jobs that tend to be associated with higher pay, better opportunities for progression and promotions, lower turnover, and better working conditions. The secondary labour market is usually made up of jobs which are characterised by lower pay, less job security, fewer opportunity for progression, and inferior working conditions. The theory also claims that 'disadvantaged workers' are stuck in the secondary labour market either because of demographic factors (leading to discrimination), their place of residence, or substandard skills and employment

history (Doeringer and Piore, 1970: p272). Reich et al. (1973: p359) add that dual labour markets are the result of labour segmentation process. They define labour market segmentation as 'the historical process whereby political- economic forces encourage the division of the labour market into separate submarkets, or segments, distinguished by different labour market characteristics and behavioural rules. Segmented labour markets are thus the outcome of a segmentation process (Reich et al., 1973: p359). There also exist segmentation within the primary sector as jobs are divided between subordinate and independent ones (Reich et al., 1973:p360). The former refers to jobs that include relatively routine tasks, involving firm-oriented goals and higher discipline, while the latter refers to more creative, more independent, and better rewarding jobs. There also exist a segmentation by race both in the primary and secondary labour markets as well as segmentation by gender. Through a historical analysis, Reich et al. (1973:p364) demonstrate that segmentation helps to reproduce capitalism as it divides workers which prevents them to unite and organise. There are both conscious and systemic forces that lead to this division of the labour market (Reich et al., 1973:p361). Indeed, the rise of the proletariat meant that monopoly capitalists needed to divide the workforce in a 'divide and conquer' strategy. The bureaucratisation of firms allowed employers to establish a hierarchy within the firm and therefore segment the labour market (Reich et al., 1973:p362). Internal labour markets led to further segmentations by creating ladders and different entry points for blue and white collar workers – who also benefitted from different promotions. Employers also use antagonisms such as race, ethnicity and gender so as to divide the labour force and weaken industrial action and trade unionism. Segmentation also occurred as a result of systemic forces, as it allows the firm to stabilise its growth. For instance, many firms sub-contract production in order to be able to adapt to cyclical or seasonal demand (Reich et al., 1973:p363). In addition, the rise of highly technical jobs meant the dichotomisation of the labour market was reinforced (Reich et al., 1973:p364). Therefore, not only segmentation helps to 'reproduce capitalist hegemony' but it also limits vertical job mobility and 'legitimises inequalities' (Reich et al., 1973:p364). Barbieri and Scherer (2009) observed that flexibilisation led to a greater segmentation of the labour market in Italy using data up until 2005.

Using newer data and looking at more countries has the potential to reveal the class dynamics behind this result.

Doeringer and Piore (1970: pp8-9) define an internal labour market as 'an administrative unit, such as a manufacturing plant, within which the pricing and allocation of labour is governed by a set of administrative rules and procedures'. A specificity of internal labour markets is that the internal labour force has access to privileges that protect internal labour from competing with external labour markets. For instance, internal labour has access to jobs which are not available to the external labour market (Doeringer and Piore, 1970: p9).

The demand for labour in primary jobs - which tend to be in internal labour markets as these encompass skilled workers – is less variable both in the short and medium term. Meanwhile, the demand for labour in secondary jobs – which are either unskilled or not firm-specific skilled workers - is more variable. This means that workers in secondary jobs will be discharged in greater numbers when output goes down. Labour market institutions such as trade unions can then mitigate the firm's power in firing workers freely (Atkinson, 1985, pp. 25–28). Following this logic, a reduction in labour market institutions will tend to put secondary labour market workers in a more precarious situation.

Many economists have found that the flexibilisation of the labour market led to an increase in wage inequality (Koeniger et al., 2007; Machin, 1997). DiPrete et al. (2006) have hypothesised that in Europe, low-skills jobs have become more precarious than high-skilled jobs as changes in labour markets have shifted low-skilled workers away from regular employment to temporary contracts. In their work on France, DiPrete et al. do not observe an increase in the proportion of low-skilled unemployed workers, but rather they find them to have lower job protections while skilled workers' protection remained unchanged. The authors call for further research on the topic as there is a concern about impacts on employment protection policies on low-skilled workers. There is therefore a need for further research not only on this specific topic but also on how all types of flexibilisation

policies affect low skilled workers including in other European countries. On the other hand, Gebel and Giesecke (2011) do not find evidence that flexibility increases wage inequality, which further highlights the need for further research on the topic. However, they used education as a proxy for skills rather than occupation which may have led to a distorted analysis.

Standing (1999: p88) argues that wages have become more flexible through the removal of labour market regulations, reduction in collective bargaining and reduction in the power of unions as well as a flexibilisation in terms of workers skills. In theory, wage flexibility should work both upwards and downwards, i.e. pay can be increased when the worker is productive and decreased when productivity is low. For example, Lucidi and Kleinknecht (2009: p529) analysed the Italian manufacturing sector during the 2001-2003 period, and found that decentralised wage bargaining did not result in upward wage flexibility due to the absence of strong trade unions. These results require further research to analyse the interactions between flexibilisation strategies and wages to analyse the class relational powers of such policies.

The importance of cross-country comparison is highlighted by many economists, as labour markets adjust differently according to the country of study, leading to varying inequalities in different countries (Maurin and Postel-Vinay, 2005; Barbieri and Scherer, 2009). Maurin and Postel-Vinay (2005) also highlight the importance of looking at unemployment and not just wages or income indicators as we have seen above. Indeed, they find that while the wage gap between skilled and unskilled labour was greater in Anglo-Saxon countries<sup>9</sup> than other Western European countries, workers in Anglo-Saxon countries move between jobs with greater ease than their European neighbours.

---

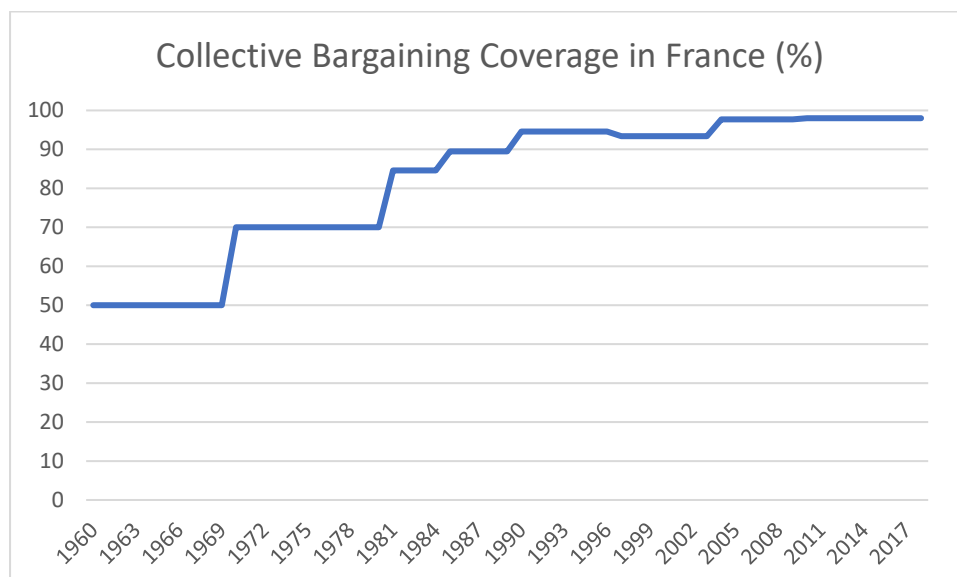
<sup>9</sup> Ireland and the United Kingdom

## 2.6 France

One reason why many of the aforementioned theories fall short is their perception of the expansion of collective bargaining coverage as a form of labour market rigidity. Consequently, they assert that the reduction in collective bargaining is a flexibilisation policy. However, a closer examination reveals that France has been steadily increasing its collective bargaining coverage since the 1980s, which challenges the validity of these arguments.

Figure 2.4 illustrates the percentage of employees in France covered by collective bargaining from 1960 to 2020. Remarkably, this percentage has exhibited a consistent upward trajectory, rising from approximately 60% in 1960 to nearly 98% in 2020. This extended timeframe of six decades highlights a substantial expansion in collective bargaining coverage across France. This expansion has granted an increasing number of employees the ability to collectively negotiate their working conditions and wages.

Figure 2.4: Collective Bargaining Coverage in France (%)

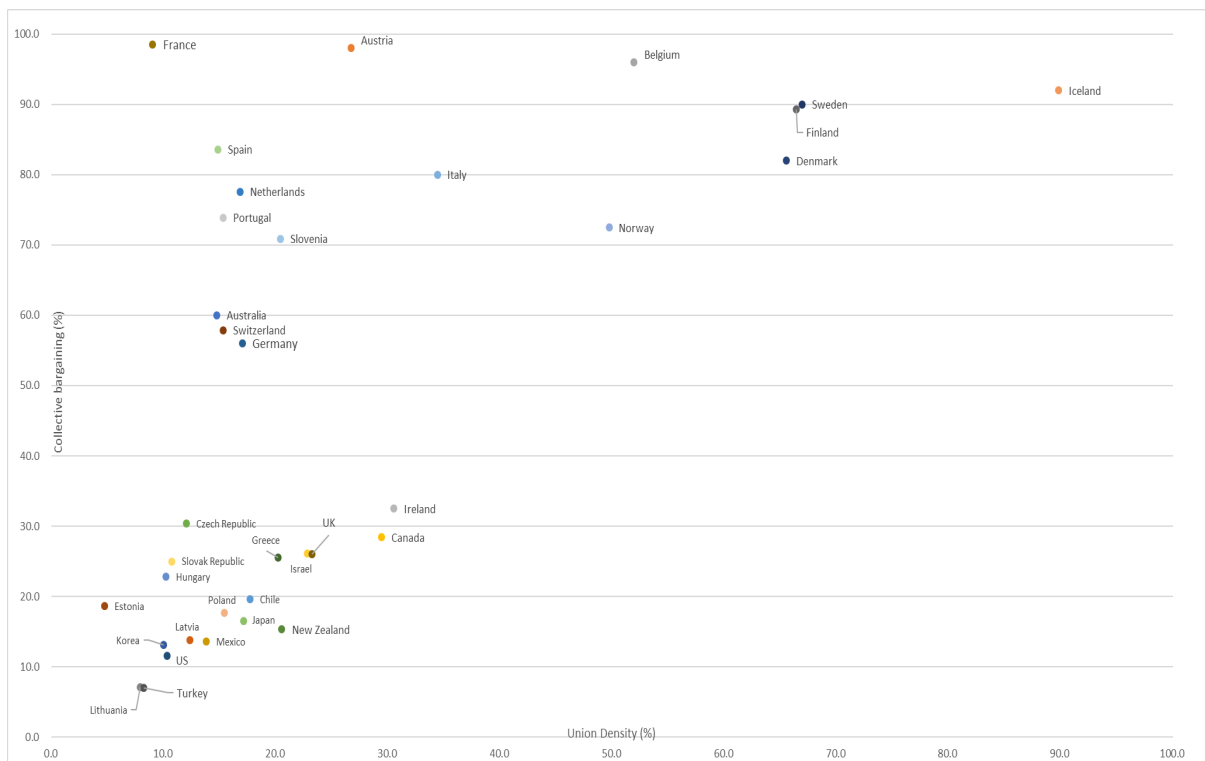


Source: OECD

While the theoretical perspectives mentioned earlier might interpret this expansion as evidence of policy changes aimed at bolstering workers' rights and advocating for equitable labour practices, the actual situation is significantly more intricate.

To gain a comprehensive understanding of the situation, it is imperative to conduct an analysis that considers the interplay between union density and collective bargaining. The unique scenario in France, where union density has been on the decline while collective bargaining has been on the rise, warrants particular attention. France's achievement of the highest level of collective bargaining coverage among OECD countries, despite having one of the lowest union density levels, presents a distinctive and intriguing phenomenon that calls for further exploration.

Figure 2.5: Collective bargaining and union density for all OECD countries



Source: OECD

In France, the expansion of collective bargaining coverage, encompassing a wide range of employment conditions, and the reduction in union density have occurred concurrently. This combination has puzzled researchers and policymakers alike.

Understanding the historical context of these developments is vital. The backdrop of economic crises in the 1970s, symbolised by the profitability crisis, and societal unrest exemplified by May 1968, has been influential in shaping labour market policies.



During the post-war period, industrial relations became increasingly institutionalised, which often improved working conditions for workers but also was a way for capital to prevent their rate of profit from falling (Schmidt, 2019: p511). Both because it allows the capitalist class to restrain workers' demands and reduced the threat of their own demise (Schmidt, 2019: p511). It is in the 1980s that both production and distribution got altered in a way that prevented the reproduction of working-class consciousness and destroying previous working-class unity (Schmidt, 2019: p511). Howell (2009, p231) argued the increase in the coverage of collective bargaining (Figure 2.4) was a way to negotiate increasing flexibility, the idea behind it was to attempt to limit social unrest. Right-wing governments in France have also advocated for national-level bargaining both to push their flexibilisation agenda forward from the 1980s onwards, partly as a response to the political unrest during the 1960s and 70s (Amable, 2016: p524).

In the 1980s, Thatcherism became popular in many countries as a way to push down wages, reduce welfare benefits and privatise public services (Howell, 2009: p231). It was adopted by governments in France, Germany and the Netherlands but did not have the same relationship with unions as it did in Britain. In France, the implementation of neoliberal policies was underway in 1983-4 when Mitterrand came to power and he introduced economic liberalisation that included privatisation of state assets, deregulation of markets and a reduction in government spending (Amable, 2016: p524). This was done to ensure capital would be invested in France rather than being invested in other countries (Schmidt, 2019: p512). In the 1990s, France experienced a period of economic growth and unemployment fell to 4% but this was only because there were high rates of immigration that allow capital to still profit from cheap labour (Hyman et al., 2019: p5-6).

Amable (2016, p523) pointed that France moved towards a neoliberal model, which he defines as 'the possibility of a liberal alternative to both laissez-faire and the planned economy'. This conceptualisation of neoliberalism leads Amable's work to be heavily focused on party politics rather than exploring the material base of political reform. He points out that the idea of neoliberalism arose

long before the 1970s conservative revolution, notably from Louis Rougier's (1938) work and consequently has been present in both the Left and Right political discourse since the Second World War (*ibid.*, pp.525-527). Two main discourses promoting neoliberalism can be identified regarding industrial relations. The first are those that believe that collective bargaining needs to be decentralised such as Hayek (1973) and the second position that prevailed in France is to coexist with trade unions to keep the workers away from socialist ideas (*ibid.*, 2016, p527). It is Jacques Rueff, De Gaulle's economic adviser that believed neoliberalism could only develop through the collaboration with trade unions (Denord, 2007).

Baccaro and Howell (2011, p522) have also identified the changes in industrial relations to be going in a neoliberal direction. This is because the increase in negotiation with social partners, associated with increasingly weaker trade unions were aimed at obtaining concessions from unions (Baccaro and Howell, 2011, p530). Howell (2009, p. 233) argues that trade unions in France have two functions: to embody workers interests to bargain with the state and legitimising the state's policies that encourage social dislocation. Howell calls this 'virtual unionism' as unions strength is not based upon labour's power.

The modernist ideology also gained prominence after WWII – their aim was to be able to increase dialogue and reach compromises between authoritarian employers and class-based unions, more specifically the CGT (Amable, 2016: p527). Pierre Mendès France led the movement by modernising the radical party. They rejected the idea of a centrally planned Soviet economic system but also believed that France's failure in the war was due to 'economic elites' (Amable, 2016: p527). The CGT used to be heavily connected with the communist party, but the communists lost influence and the CGT has become in the 1990s, decreasingly radical. Historically, the Communist Party was heavily linked with labour unions and was the stronger left party. However, the Socialist Party gained momentum in the 1970s and came into power a decade later. The Socialist Party therefore refused to give strength to the unions due to the popular belief that these were under communist influence

(Howell, 2009, p234). The debate between modernists who favour social dialogue and those who advocate authoritarian industrial relations is a persisting one – changes in collective bargaining have occurred based on the different views of unions, left or right governments and employers (*ibid.*, 2016: p529).

The 1970s inflation engendered the decreasing popularity of Keynesian policies – leading both left and right parties to adopt supply side economic policies, - and there was no longer cleavage between Keynesian and monetarist policies (Schmidt, 2019, p. 513). This overlapped with the shift of the Socialist Party towards increasingly liberal policies which meant the industrial reform agenda of the left and the right only differed in emphasis (Baccaro and Howell, 2011).

As previously mentioned, France developed peculiar labour market contradictions: a low union density (around 10%) and wide (98% in 2019) collective bargaining can be identified as highlighted by Figure 2.5. Howell argued that flexibility was at the core of the Left and Right agendas in the mid-1980s. However, successive governments believed that flexibility should be introduced through negotiation and thus promoted the expansion of collective bargaining (Howell, 2009, p. 231). Auroux (1981), in his report emphasised the need to introduce flexibility for firms. Therefore, it could be argued that the expansion of collective bargaining coverage is a flexibilisation policy in the French context.

Howell (2009, p. 236) argued that firm-level bargaining allowed flexibility to be implemented by firms. Given the high unemployment that followed the oil crisis, Howell (2009, p. 236) argued that the debate was not about whether or not to introduce labour market flexibility but rather how the industrial relation system reforms should be structured to permit flexibility. Contrastingly, Goyer and Hancké (2004, p. 177) pointed out that reforms were needed due to the slump in profitability. They argue that in France, the decrease in profitability was due to a combination of low productivity and high relative wages (Goyer and Hancké, 2004, p. 177). While these explanations are not mutually exclusive, it is

important to point out that in addition to sluggish growth and high unemployment, a central problem of French capitalism was decreasing profits. Goyer and Hancké (2004, p. 178) argued that the solutions would include work reorganisation as work structures were *'inefficient but also incorporated a wide array of obstacles to change'*. Also, unions were often hostile to reforms proposed by management, which blocked their way to introduce 'organisational changes' (Goyer and Hancké, 2004, p. 178). However, while Goyer and Hancké (2004) do not specifically spell out that these work reconfigurations originally were intended as flexibilisation policies, they do point out that the subsequent reforms (The Auroux Laws) led to a more flexible workplace. Also, while Howell views weak unions as a barrier to flexibility as its introduction needs to be negotiated, Goyer and Hancké pointed out that unions blocked the path to meaningful workplace restructuring. While Goyer and Hancké (2004, p. 178) directly spell out that there is a requirement to marginalise unions to achieve this 'workplace restructuring', Howell points out that restructuring needs to happen with a reform of the industrial relations system. However, Howell (2009) uses a more specific terminology as he points out that this 'restructuring' took the form of 'flexibility'.

Howell (2009 p. 236) argued that plans for industrial relations reform never included a French version of Thatcherism both because of ideological heritage but also because of the fears of social backlash, especially following the May 68 protests. Therefore, the idea was to give employers the flexibility they need and decrease labour market regulation, while mitigating the social impact on labour (Howell, 2009, p. 237). The Auroux Laws did just that by granting protection to all<sup>10</sup> union delegates and by enforcing a requirement to bargain every year at firm level, with the aim of shifting collective bargaining to the firm-level (Howell, 2009, p. 238). In addition, important decisions such as organisation of labour, hiring and dismissals, and the adoption of new technologies amongst others had to be discussed with works council, which gave workers a sense of expression within the firm (Howell, 2009, p. 238). These consultations were unrelated to outside trade unions and higher levels

---

<sup>10</sup> Union delegates had legal protection in larger firms only before the Auroux Laws

collective bargaining – this ultimately meant the distinction between consultation and negotiation was unclear (Howell, 2009, p. 238). Howell pointed out that the Laws did not strengthen unions as the additional union delegates protections were not accompanied by additional resources but also because the government feared strengthening unions would lead to strikes (Howell, 2009, p. 238).

Howell offers important insights on the role that industrial relations reforms had on the expansion of firm-level flexibility, his analysis remains focused on the role of the French state in this development. However, he failed to see the Auroux laws as a specific way to weaken unions in France and does not go into the class dynamics at play.

Geyer and Hancké (2004, p. 180) argued that because unions at the firm level were not able to have a say on the implementation of the reforms, this created an auspicious environment for a flexible workplace model to develop. They also argued that the consequences of these reforms were the ‘concentration of power in the hands of French CEOs and top manager as well as the exclusion of employees from decision-making processes about business strategy’ (Geyer and Hancké 2004, p. 181). However, this analysis lacks a clear conceptualisation of power.

To summarise, contrary to many theories that associate the expansion of collective bargaining with labour market rigidity, France's experience since the 1980s challenges these assumptions. The steady increase in collective bargaining coverage, juxtaposed with declining union density, presents a unique scenario that does not neatly align with conventional economic theories on labour market flexibilisation. However, this phenomenon must be understood in the context of broader socio-economic and political shifts, particularly the transition towards neoliberal policies and the changing dynamics of industrial relations. The seeming paradox of increased collective bargaining amidst decreasing union influence points to a more complex reality where traditional forms of worker

representation and negotiation are being reconfigured. This section has highlighted the importance of understanding the historical and ideological contexts that shape labour market policies. The backdrop of economic crises, political shifts, and societal changes, such as those experienced in France during the post-war period and the rise of neoliberalism in the 1980s, have profoundly influenced the direction of labour market reforms. Policies like the Auroux Laws, while ostensibly aimed at increasing flexibility and addressing economic challenges, also reflect deeper shifts in power dynamics between employers, employees, and the state. Moreover, the analysis in this section reveals that the debate on flexibilisation cannot be detached from the broader class relations and power structures within society. The focus on collective bargaining and union density in France underscores the need to examine how these policies affect different segments of the workforce and contribute to the shaping of labour market dynamics.

The French case illustrates that the impacts of labour market flexibilisation policies are far from straightforward and are deeply embedded in the country's unique socio-economic and political fabric. This challenges the validity of one-size-fits-all theories in labour economics and calls for a more context-specific analysis to understand the real implications of such policies.

## 2.7 Conclusion

This comprehensive review of labour market flexibilisation policies within the European Union illuminates the complex interplay between economic theory, policy implementation, and class dynamics. The journey through various economic theories, empirical studies, and policy analyses has revealed nuanced impacts and implications of these policies across different European contexts, especially when viewed through the lens of capital accumulation and class relations.

The concept of labour market flexibilisation, far from being monolithic, emerges as a complex and multifaceted policy approach. The empirical evidence examined in this review suggests that while some flexibilisation measures may lead to short-term gains in employment or economic efficiency, they are often accompanied by increased income inequality, reduced job security, and weakened collective bargaining power. These outcomes hint at an underlying motive of such policies: the drive to increase capital accumulation.

This review critically identified a significant gap between theoretical predictions and real-world outcomes of flexibilisation policies, therefore, bringing to the forefront the role of flexibilisation policies in class relations. It posits that these policies are often driven by an incentive to increase capital accumulation, thereby playing a critical role in shaping class dynamics. The policies may benefit certain sections of capitalists, potentially at the expense of others, and similarly, their impact on labour is unevenly distributed, disproportionately affecting precarious and marginalised workers.

The case of France, with its distinctive labour market dynamics, provides a pertinent example of how these policies affect class relations. This thesis aims to dissect the ways in which flexibilisation policies manifest as a class struggle both in the abstract and the concrete, thus contributing to a deeper understanding of the underlying class conflicts that drive patterns of accumulation, distribution, and reproduction in labour markets.

In conclusion, this literature review challenges the orthodox view that flexibilisation inherently leads to positive economic outcomes like reduced unemployment and growth. Instead, it argues for a critical understanding of these policies, emphasising their role in the dynamics of class conflict and capital accumulation.

### 3 Theoretical Framework

In an era marked by transformative shifts in socio-economic structures, the intricate interplay between class relations, power dynamics, and the mechanisms of capital accumulation has become the subject of intense academic scrutiny.

The aim of this thesis is to provide a class relational analysis of the flexibilisation of the labour market in the French context. This section provides the theoretical elements needed to understand this thesis' approach to the process of flexibilisation. It is argued that labour market flexibilisation since the 1970s is better understood as part of the transformation in social relations of production that have allowed the rate of exploitation to increase in many capitalist countries. Flexibilisation policies are thereby part of measures pursued by the state in supporting capitalist classes to expropriate more surplus value from workers and accumulate capital further. These can be understood as *'Class struggles waged from above by capitalist classes (with and through the state and the state system) to (re)produce an exploitable labour force are an ever-present feature of capitalism'* (Campling et al., 2016, p. 1754).

From this, it follows that flexibilisation of the labour market is an example of a concrete capitalist class struggle to (re)produce an exploitable labour force. Labour market flexibilisation is an important development in labour market policies, driven by the neoliberal imperative and in response to the 1970s profitability crisis in advanced capitalist countries. This chapter goes through the conceptualisation of class and power, which will help us conceptualise flexibilisation policies from a Marxist Political Economy perspective. First, this chapter will delve into the abstract concept of class, using Marx's definitions, then layers of complexities we be added as we move towards the concrete.

The journey commences with a comprehensive examination of class in the abstract, rooted in Marxist theory. Class, as a foundational concept, embodies the intrinsic relationship between labour and the means of production, delineating the fundamental divisions that shape capitalism. While class in its abstract form provides a starting point, the complexities woven into class relations are further explored. This exploration is enriched by insights from scholars such as Campling et al. and Erik Olin



Wright, who introduce further complexities that imbue class dynamics with depth and dynamism. To navigate the ever-shifting terrain of class relations, this framework integrates Jean-Paul Sartre's theoretical lens, which offers a compelling perspective on the transformation of series into groups and vice versa. As capitalism's rules are rewritten to adapt to contemporary imperatives, Sartre's insights provide invaluable guidance in comprehending the changeability and adaptability of class structures. The journey then ventures into the realm of power—a central element in the analysis of flexibilisation policies. Steven Lukes' three-dimensional view of power is employed to dissect the multifaceted nature of power dynamics. Power is not a monolithic entity but rather a multifaceted phenomenon that operates at various levels, influenced by historical, political, economic, and social factors. This framework further delves into the application of these dimensions of power within the context of trade unions and their exertion of influence in labour relations. Understanding the nuances of power within unions is paramount to comprehending the intricate dynamics of class relations, particularly as they manifest in negotiations and collective action. The exploration culminates in a profound examination of bargaining power—where the theoretical concepts of class, power, and agency converge with the practical realities of labour negotiations. By bridging the gap between the abstract and the concrete, this framework provides a theoretical analysis of flexibilisation policies from a class relational perspective. It underscores the significance of understanding the interplay between class relations and power dynamics, offering invaluable insights into the workings of flexibilisation policies in relation to both labour and capital.

### 3.1 Class

The versatility and adaptability of class analysis make it a valuable and powerful tool for comprehending the multifaceted nature of societal conflicts and inequalities. It provides a powerful analytical tool to examine a wide spectrum of social, economic, and political issues, providing valuable insights into the complex inner workings of the capitalist system.

As articulated by Campling et al. (2016, p. 1749), while the processes of production, circulation, and reproduction can be theoretically separated as distinct elements within the overarching system of capitalism, the analytical tool of class analysis is versatile and adaptable. It can be effectively applied in real-world contexts that extend beyond the realm of contentious employment relations:

*'while production, circulation and reproduction can be abstracted as distinct moments of the totality of capitalism, class analysis can be deployed in concrete situations not only with respect to conflictual employment relations, but also in relation to a variety of struggles, including around tax, debt, pensions, education, religion, housing and access to 'natural' resources, among others.'* (Campling et al., 2016, p. 1749)

Class analysis, as a powerful analytical tool rooted in Marxist thought, proves itself remarkably versatile in its application. It possesses the capacity to go beyond the confines of contentious employment relations, which have traditionally been the focus of class-based research. While these employment relations certainly remain a pivotal terrain for class struggle and analysis, class analysis extends its reach to a diverse array of real-world contexts and social phenomena.

In Volume 1 of *Capital*, Karl Marx introduces a fundamental concept that abstracts the complex social relations of capitalism into a simplified dualism between capital and labour, predominantly within the sphere of production (Bensaid, 2009, p. 99). This dualistic perspective serves as a foundational framework for understanding the dynamics of class struggle and economic exploitation within the capitalist system.

A central theme in this analysis is the generation of surplus value, which occurs during the process of commodity production. Surplus value, in essence, represents the additional value created by workers beyond what is required to cover their wages and basic necessities. This additional value is essentially

the unpaid labour time that the worker contributes to the production process. This surplus value is crystallised within the commodities themselves, imbuing them with an intrinsic value that extends beyond the cost of their production (Campling *et al.*, 2016, p. 1749). Capitalists extract this surplus value and accumulate it. The crucial point to grasp here is that capitalists, who own the means of production, play a pivotal role in this process. They extract this surplus value from the labour of workers and subsequently accumulate it as profit. This accumulation of surplus value is central to the functioning of capitalism, as it fuels capital expansion, investment, and the perpetuation of the capitalist system.

This thesis is firmly rooted in a Marxist framework for understanding class analysis, where the conceptualisation of class is intricately linked to capital accumulation and the extraction of surplus value. It is crucial to grasp this foundational concept to fully appreciate the subsequent discussion of power.

In this Marxist perspective, class is not defined through static and rigid categories but is instead comprehended through the "determination" of concepts, as emphasised by Marx (Bensaid, 2009, p. 97). This dynamic approach implies that classes are not fixed entities that remain unchanged over time. Instead, they are understood in relational terms, continually evolving in response to historical and social dynamics. As E.P. Thompson (2013, p. 8) puts it:

*“By class I understand a historical phenomenon, unifying a number of disparate and seemingly unconnected events, both in the raw material of experience and in consciousness. I emphasise that it is a historical phenomenon. I do not see class as a ‘structure’, nor even as a ‘category’, but as something which in fact happens (and can be shown to have happened) in human relationships.”*

This exploration has laid the groundwork for a deeper dive into the theoretical underpinnings of class within a Marxist framework, which will be the focus of the following section.

### 3.1.1 Class Struggle

In the abstract, class struggle determines the socially necessary labour time for labour power reproduction (Bensaid, 2009, p. 104). At its core, class struggle represents the antagonistic relationship between the labouring class and the capitalist class. Surplus labour time is the portion of a worker's workday that extends beyond what is necessary for the worker to earn their wages and provide for their basic needs. In essence, it is the time during which the worker generates value for the capitalist that goes beyond its own subsistence. It is the time during which surplus value is extracted for capital accumulation. Socially necessary labour time represents the amount of time required for workers to reproduce themselves, in other words to produce the goods and services necessary for their own reproduction. This includes not only their wages but also the time spent producing the essentials of life, such as food, shelter, and clothing. At this level, class struggle revolves around the allocation and control of surplus labour time. The capitalist seeks to maximise surplus labour time to extract surplus value, which is then accumulated. Workers, on the other hand, aim to reduce surplus labour time and secure better working conditions, higher wages, and a fairer share of the value they produce.

In the Second Volume of Capital, Marx expands on his theoretical framework, noting that in a capitalist society, labour takes on a dual role (Bensaid, 2009, p. 106). On one hand, labour is the seller of a particular commodity known as 'labour power'. This commodity represents the capacity and ability of the worker to perform labour, to produce goods and services. On the other hand, the worker is also a buyer of commodities, which include the basic necessities of life such as food, clothing, shelter, and other goods. Labour power is also in circulation, labour power is the property of someone else. At this level, class relation is determined by productive or indirectly productive labour, the class conflict is over labour power as a commodity (Bensaid, 2009, p. 106).

Importantly, labour power is a commodity owned by the worker but sold to the capitalist. It is the worker's ability to work, to engage in productive activities. However, under capitalism, this labour power becomes a commodity to be exchanged for wages on the labour market. While the worker retains ownership of their labour power, they temporarily surrender it (or rent it) to the capitalist during working hours.

In Volume 3 Three, class relations within capitalism are primarily determined by the distinction between those engaged in productive or indirectly productive labour. Productive labour refers to activities directly involved in the creation of goods or services for sale in the market. Indirectly productive labour includes roles that support the functioning of the capitalist system but are not directly involved in production, such as administrative positions. Unproductive labour becomes productive through the social division of labour (Bensaid, 2009, p. 108). This transition occurs when certain support functions or services indirectly contribute to the production of value or surplus value.

Class conflict, at this level, centres around labour power as a commodity. Workers seek to secure favourable terms for the sale of their labour power, including higher wages, improved working conditions, and job security. Capitalists, in contrast, aim to obtain labour power at the lowest possible cost to increase their rate of capital accumulation. This dynamic struggle over the terms of labour power exchange lies at the heart of class conflict within the capitalist system.

The separation of the worker from the means of production and the commodification of labour power are fundamental features of capitalism. This arrangement leads to complex class relations and ongoing conflicts over the terms and conditions of labour power exchange. It highlights the central role of labour power as a commodity within the capitalist mode of production and underscores the importance of understanding these dynamics in the analysis of class relations and conflicts. Class struggle also influences the socially necessary labour time for labour power reproduction. When workers engage in collective action and class struggle, they can demand shorter working hours,

improved wages, and better working conditions. These gains can reduce the time required for their own reproduction, allowing for more leisure and an improved quality of life.

The concept of class conflict, as it relates to surplus and socially necessary labour time, underscores the fundamental struggle within capitalism. It highlights the tension between the capitalist class's desire to extract surplus value and the working class's pursuit of improved living and working conditions. This dynamic interaction continues to shape the economic and social landscape, with class struggle influencing the allocation of time, resources, and power within society.

### 3.1.2 Capital Accumulation

Marx's approach to understanding capital is distinct from conventional perspectives, primarily because he examines it not as a static entity but as a dynamic and evolving process. In contrast to how we typically think of capital in mainstream literature or everyday language, Marx conceptualises capital as something more elusive and multifaceted. Capital is value in motion, it changes over time and can take multiple forms (Bensaid, 2009, p. 105). This perspective is best captured in his famous formula for capital circulation, where each component represents a stage in the transformative journey of capital:

$$M \rightarrow P \rightarrow C \rightarrow M'$$

Where:

1. M (Money): At the outset of the capital circulation process, capital begins as money. Money, in this context, serves as the initial investment or capital that a capitalist deploys to initiate the production cycle. It represents a claim on the potential value to be created through the process.
2. P (Means of Production): The next stage involves the conversion of money into means of production. These means of production can encompass various assets, such as machinery, raw

materials, and labour. This stage signifies the transformation of the initial capital into the tangible inputs required for production.

3. C (Commodity): Through the process of production, the means of production are employed to create commodities. These commodities are the end products of the production cycle. They represent goods or services that have use value and can be exchanged on the market.
4. M' (Money Again): The final stage of the process involves the sale of commodities on the market, resulting in the conversion of commodities back into money. However, this money is not merely a return of the initial investment; it includes a surplus value generated by labour during production.

What distinguishes Marx's perspective is the recognition that capital is not a static or singular entity but a dynamic process that continually transforms and evolves. This process involves the circulation of capital, where money is invested, transformed into productive assets, used in production, and ultimately returns to its initial form of money (plus surplus value) to be reinvested. In essence, Marx's approach challenges the common perception of capital as a fixed and unchanging asset. Instead, he views capital as a dynamic force in constant motion, perpetually seeking to expand and accumulate value through the cyclical process of capital circulation.

While one primary avenue for capitalists is to reinvest the appropriated surplus value back into the means of production, there are several alternative strategies they can employ to harness and utilise surplus value. Indeed, there are other ways capitalists can use the appropriated surplus value such as increasing the 'spatial extent and intensity' of their operation to thrive in competition, consumption funds for capitalists, and 'shifting to a new realm of production' (Campling et al., 2016, p. 1751).

Expanding the spatial extent and intensity of their operations involves branching out into new markets, regions, or even countries. By doing so, capitalists seek to tap into previously untapped sources of profit. They may also intensify their operations by increasing production volumes,

efficiency, or market reach. This strategy aims to secure a larger share of the market and outcompete rivals on a broader scale.

Capitalists can opt to use surplus value as a source of consumption funds. Instead of immediately reinvesting it into production, they may choose to enjoy a higher standard of living or invest in luxury goods and services. This consumption-oriented approach allows capitalists to reap the benefits of their capital accumulation in the form of personal wealth and a luxurious lifestyle. Capitalists can also explore opportunities in entirely new realms of production. This may involve diversifying their business interests into industries or sectors that are unrelated to their existing operations. Such diversification strategies can mitigate risks associated with market fluctuations in a single industry and open up new avenues for capital accumulation. These alternative strategies highlight the adaptability of capitalists within the capitalist system. While reinvestment in the means of production remains a fundamental avenue for capital accumulation, capitalists have the flexibility to choose from a range of options based on their specific circumstances, market conditions, and long-term objectives.

In addition, the departure point within the circuit of capital is a dynamic and ever-changing aspect, and it cannot remain quantitatively consistent over time. This inherent variability arises due to several crucial factors that continuously influence and reshape the circuit. As articulated by Campling et al., 2016 (p. 1750-1751):

*‘for example, of the exploitation of people as labouring bodies and the effect of this process on physical and mental health; on the transformation of material things as means or conditions of production (eg natural resource depletion, depreciation of fixed capital); and on class struggle in the circuit either by labour for a greater share of the total surplus (eg in the form of wages or improved working conditions) or, conversely, by capitalists to increase their rate of profit by exploiting workers more intensively and/or extensively (eg through longer working hours) and/or by immiserating them (by pushing wages down).’*



One key factor contributing to the changing departure point is the exploitation of individuals as labouring bodies. The process of extracting surplus value from labour affects not only economic outcomes but also the physical and mental well-being of workers. The impact of this exploitation on workers' health, productivity, and overall capacity to contribute to production can vary, leading to fluctuations in the starting point of the circuit.

Another influential factor is the transformation of material resources, such as natural resource depletion and the depreciation of fixed capital (e.g., machinery and infrastructure). The availability and condition of these resources can shift due to factors like resource scarcity, environmental changes, or technological advancements. These transformations can alter the conditions and costs of production, affecting the circuit's starting point. Class struggle plays a pivotal role in shaping the circuit of capital. Workers may engage in collective action to demand a greater share of the surplus value, whether in the form of improved wages or better working conditions. Conversely, capitalists may seek to increase their rate of profit by intensifying or extending the exploitation of workers (e.g., through longer working hours) or by pushing wages down. These ongoing class struggles introduce volatility into the circuit as the balance of power between labour and capital fluctuates.

In essence, the departure point of the circuit of capital is in constant flux, reflecting the intricate interplay of economic, social, and environmental forces. The complex dynamics of exploitation, resource utilisation, and class struggle ensure that the circuit never remains quantitatively identical across different periods or contexts. This recognition underscores the dynamic nature of capitalism, where the pursuit of profit and the struggle for economic advantage perpetually interact with changing conditions and human agency, shaping the course of economic and social development.

### 3.1.3 Inter and Intra Class Relations

This dimension of the framework recognises the intricate web of interactions and interests within classes, shedding light on the complexities that underlie class dynamics. The theoretical framework discussed in Campling et al. (2016, p. 1746) encompasses four interconnected and essential points, providing a comprehensive perspective on the nature of class relations:

1. Class relations, while extending beyond the production process, are rooted in exploitative social relations of production. This exploitation is driven by capital's extraction of surplus value from wage labour during surplus labour time (2016, p. 1747).
2. Class is a relational and multidimensional concept

*'The multi-faceted character of classes is formed in and through processes of competitive capital accumulation, and the antagonistic relations through which capital and labour shape and resist processes of accumulation and exploitation. These social interactions take place at different registers, meaning that classes are formed, interact and are reproduced through relations with each other on global, national, regional and local scales (Campling et al., 2016, p. 1748).'*

Classes are not static entities but are shaped and moulded through processes of competitive capital accumulation. These processes involve antagonistic relations between capital and labour, occurring at various scales—from global to local. In short, class relations must be understood within cultural, social, political and economic context (Campling et al., 2016, p. 1748).

3. Classes have agency, which is unevenly constrained and/or facilitated by the social structures with which it is mutually constituted.

Agency refers to the inter- and intra-class frictions (Campling et al., 2016, p. 1748). Social relations of work take different forms over time and place – capitalist exploitation over wage-

labour is not sufficient to understand these complexities (Campling et al., 2016, p. 1748). This agency is not uniform across all members of a class; it is shaped by social structures, historical conditions, and power differentials. Labour can exercise agency in their interactions with one another and with capital, and vice versa. These interactions can manifest as collective actions, bargaining, and resistance, shaping the outcomes of class struggles.

4. Class is understood world-historically.

The empirical study of relations of production requires to be located within a social and historical context, where state interventions is an important, but not unique determinant (Campling et al., 2016, p. 1749). The specific ways in which class relations are articulated vary across time and place, necessitating empirical examination. (Campling et al., 2016, p. 1749).

In addition, This framework goes beyond the analysis of mere relations between labour and capital; it also delves into the intricate relations that exist within classes themselves. These can both be '*collaborative*' and '*antagonistic*' (Campling et al., 2016, p. 1751). This dimension of the framework recognises that class dynamics are not monolithic but encompass a wide array of interactions and interests. While it is in labour's interest to unite in their struggle against the capitalist exploitative system of production, the reality is more nuanced. They '*are not only segmented by gender, race and ethnicity, but also by location, sector, task and wage, skill level, type of contract, and by whether or not they remain in a place or pass through it*' (Campling et al., 2016, p. 1753). These divergences within the working class can give rise to conflicts, reflecting the complex and multifaceted nature of class relations.

Also, capitalists compete and collude at the same time, as they compete vigorously in the market to gain a competitive edge, yet simultaneously, they may collaborate in endeavours that further their collective interests. They often articulate their class position collectively through the apparatus of the state, in order to pursue policies that enhance capital accumulation, such as labour market

flexibilisation (Campling et al., 2016, p. 1751). Note that the state itself is not capitalist, but rather an institution of capitalism (Campling et al., 2016, p. 1751). States have a historical tendency to act in capitalist interests but that does not necessarily mean that they act on behalf of individual capitals (Campling et al., 2016, p. 1755). Indeed, states often choose to support long-term capitalist interests rather than short-term ones, even if they face capitalist opposition (Campling et al., 2016, p. 1755). This distinction underscores the state's agency in navigating the complex landscape of class relations and capital accumulation.

#### 3.1.4 Class Location

To gain a comprehensive understanding of the inter-class dynamics at play, it is imperative to delve into the concept of class location. In this regard, Wright (2005, p. 15) delineates two distinct strategies for examining class location when addressing specific research questions:

1. Retain a binary two-class model, adding concrete variations in experiences (for example, complexity of tasks or responsibility levels). The first strategy acknowledges the traditional binary model of class, which typically divides society into two broad categories: capital and labour. While this binary framework provides a foundational understanding of class relations, it can be further enriched by incorporating concrete variations in individuals' experiences. For instance, considering factors such as the complexity of job tasks or the levels of responsibility individuals hold within their workplaces recognises that within these overarching class categories, there exist significant differences in the lived experiences of individuals. These variations shed light on the diversity of roles and positions within the broader class structure, providing a more nuanced perspective.
2. These variations denote 'the concrete ways in which people are located within class relations' (Wright, 2005, p. 15).

The second strategy takes a deeper dive into understanding the tangible and specific ways in which individuals are situated within class relations. It goes beyond a rigid binary classification

and seeks to uncover the intricate and context-specific aspects of class location. In essence, this approach looks at how people navigate and are positioned within the complex web of class relations. It takes into account a multitude of factors that shape individuals' class experiences, including their occupation, income, education, social networks, and more. By exploring these concrete dimensions, we gain insights into the multifaceted nature of class dynamics.

Wright (2005, p. 15) selected the latter as it allows the incorporation of rights and powers into the analysis. This approach recognises that class is not just about ownership or occupation but also involves the intricate interplay of various factors that shape individuals' positions within the class structure.

Wright (2005, p. 16) unpacks five different sources of complexities that arise when locating people within class relations:

1. "Contradictory locations within class relations": This complexity arises when individuals find themselves in contradictory positions within class relations. For instance, a mid-level manager may exercise power on behalf of capital, but at the same time, they do not own the means of production and can be dismissed from their position (Wright, 2005, p. 16). However, the situation can differ for upper management, as they may accumulate capital through substantial shareholding or high earnings, positioning them closer to the capitalist class.
2. "Occupying multiple class locations at the same time": This refers to for example employed workers who also have a second job being self-employed (Wright, 2005, p. 17). Wright (2005, p. 17) also argues that employees that are in an Employee Stock Ownership Plan (ESOP) also belong in this category. Mere ownership of shares does not automatically confer capitalist status, as accumulating capital is a more defining characteristic. It is not necessarily the case that employees who participate in stock ownership plans exert control over the company's production process. Furthermore, it is now fairly common for the average person to own shares of stock, regardless of whether it is in the company they work for. For the average person, this is comparable to putting savings into a bank account, as maybe investing in a

mutual fund yields a more interesting interest rate than what your bank offers. Because capital is a process, owning shares does not automatically make you a capitalist, accumulating capital does.

3. “Temporality of locations”: The temporal dimension adds complexity as individuals may take jobs that are likely to lead to managerial positions in the future. This anticipation of future class location affects their interests and experiences, as they are influenced by the trajectory of their career (Wright, 2005, p. 17).
4. ‘Strata and class location’: Workers and capitalists have different rights and power in function of the position they hold (Wright, 2005, p. 18). For example capitalists that are at the head of multinational companies and employ several thousands of people have more power than a capitalist that is present only in one geographical location and employs few people (Wright, 2005, p. 18). Likewise, workers possessing rare and in-demand skills often have more leverage to negotiate higher wages and improved working conditions. (Wright, 2005, p. 18).
5. ‘Families and class locations’: Family ties introduce another layer of complexity, as one's class interests and experiences can be intertwined with their family's position within the class structure (Wright, 2005, p. 18). This means that an individual's interests may align with their relatives' well-being or their role within the production system.

It is important to emphasise that *“a class ‘location’ is not ‘a class’; it is a location within-relations”* (Wright, 2005, p. 19). This underscores the dynamic and multifaceted nature of class dynamics, where individuals' positions are shaped by a constellation of factors that go beyond a simple binary classification. Understanding these complexities is crucial for a comprehensive analysis of class relations and their implications in society.

Wright emphasises the dynamic nature of class compromise and its potential consequences when working-class associational power increases. This perspective challenges the traditional view that class

compromise necessarily leads to costs for capitalists. Instead, Wright suggests that under certain conditions, a disciplined and organised labour movement, especially when aligned with a sympathetic state, can contribute to the realisation of capitalists' interests by addressing macroeconomic challenges:

*“If a labour movement is sufficiently disciplined, particularly when it is articulated to a sympathetic state, it can positively contribute to the realisation of capitalists' interests by helping to solve macroeconomic problems” - Wright (2000, p. 968).*

Wright's perspective challenges conventional notions of class struggle and compromise by highlighting the nuanced ways in which the interests of different classes can intersect and overlap. It suggests that a sophisticated understanding of power dynamics and economic relationships is necessary to fully grasp the implications of class compromise.

Wright underscores the complexity of class dynamics and the potential for collaboration between labour and capital under specific conditions. He acknowledges the role of a disciplined labour movement and a supportive state in addressing macroeconomic challenges and contributing to the realisation of capitalists' interests. This perspective encourages a more nuanced examination of class relations and the outcomes of class compromise.

### 3.1.5 Sartre

Transitioning from the exploration of class location and its complexities, we can further delve into the insights offered by Jean-Paul Sartre's perspective, which sheds light on how class consciousness develops, manifests and how class is experienced. The application of Sartre's framework to various historical and contemporary contexts provides insights into the development of social and political movements. A deeper understanding of their dynamics and evolution can be gained by examining how movements progress from inertia to collective action and potentially institutionalisation. Sartre's ideas

are particularly relevant for understanding class struggles and the dynamics of working-class movements. The division of labour, uncertainties surrounding collective action, and the transformation from collectives to organised groups all play pivotal roles in shaping the course of class-based activism.

#### *3.1.5.1 Groups, Series and Partial Fusion*

Jean-Paul Sartre's conceptualisation of groups and series provides a valuable framework for analysing social and political dynamics, particularly in the context of class struggles and the evolution of social movements (Sartre, 1960). This framework distinguishes between two types of human collectives: series and groups. Series are characterised by individuals who share a common situation but do not act together or communicate with one another. In contrast, groups are formed by individuals who recognise each other as equals and cooperate to achieve common goals (Sartre, 1960). Sartre's theory highlights that inertia often arises from the division of labour, where individuals perform routine and specialised work, leading to a sense of resignation and complacency (Sartre, 1960). Additionally, uncertainty about whether others are willing to initiate change can contribute to inertia. When individuals are unsure whether their peers share their desire for change or are willing to join them in collective action, they may hesitate to take action out of fear of isolation (Sartre, 1960).

Historical examples, such as the Spanish Civil War, illustrate how inertia can be overcome, leading to collective action and revolutionary movements (Flipo, 2015). In the case of the Spanish Civil War, individuals who were previously part of an inert series came together to push for a revolution. This transition from inert series to active groups can provide valuable insights into the conditions and factors that enable effective mobilisation. However, Sartre also emphasises that groups are not a stable endpoint. Over time, groups can become organised and institutionalised, leading to the development of new divisions of labour and hierarchies among their members (Sartre, 1960). This transformation may result in individuals losing their autonomy and creativity as they become



subordinate to group rules and leaders. Consequently, groups may lose their solidarity and trust as members become alienated from one another and from their original goals (Sartre, 1960).

Sartre's conceptual framework offers a nuanced understanding of how individuals participate in collective gatherings, bridging the gap between abstract collective action and concrete historical situations (Oulc'hen, 2015). This section will explore the distinctions made by Sartre regarding different modes of actor participation within gatherings, shedding light on the role of objects and praxis. Within the context of Sartre's framework, one mode of collective action is characterised as a serial collective. In this configuration, individuals in the gathering find common ground primarily through their connection to a shared object or circumstance. For example, consider a group of people waiting for a bus; their commonality lies in the fact that they are all waiting for the same bus (Oulc'hen, 2015). Another illustration of a serial collective can be observed during a food shortage, where individuals queue up for a bakery, unified by their shared need for a now-scarce resource, such as bread (Oulc'hen, 2015). In such cases, the shared object or circumstance acts as a focal point, bringing individuals together in a transient manner.

Distinct from the serial collective is the concept of an indirect gathering. Indirect gatherings are often generated through mass media, including social media platforms in contemporary contexts. In these gatherings, individuals come together indirectly, often without direct physical interaction, through shared information or narratives (Oulc'hen, 2015). The role of mass media, such as newspapers, television, or social media, can facilitate the creation of indirect gatherings. Notably, these gatherings can swiftly transition into group praxis, such as protests or riots, when individuals who have been brought together by shared narratives or information take coordinated actions in the physical realm (Oulc'hen, 2015). In today's digital age, the role of social media in creating direct gatherings is particularly relevant. Social media platforms can rapidly assemble individuals who share common concerns, interests, or grievances, leading to the potential for coordinated collective actions. These

digital gatherings can transition into real-world events, exemplifying the swiftness with which group praxis can emerge in the age of information (Oulc'hen, 2015).

In essence, Sartre's framework provides insights into the diverse ways individuals become actors within gatherings, whether through the shared presence of an object in serial collectives or the influence of information and narratives in indirect gatherings. Understanding these modes of participation is essential for comprehending how collective action takes shape and evolves in both abstract and concrete contexts. The distinction between groups and series provides a useful framework for understanding the dynamics of collective action and social change. While these two categories represent extreme ends of the spectrum, real-life situations often fall somewhere in between, reflecting partial fusion. This section will delve into the concept of partial fusion, exploring how it manifests in various contexts and the role of capitalism in rewriting the rules to safeguard its objectives.

Partial fusion refers to situations where elements of both groups and series are present. These situations involve individuals coming together, often in the form of meetings or General Assemblies, to collectively address common issues or goals. While not as cohesive and united as fully formed groups, these gatherings allow for a degree of cooperation and shared purpose. They represent a level of collective action where individuals recognise some common interests and engage in collective decision-making and action (Flipo, 2015). However, capitalism has a remarkable ability to adapt and respond when it perceives threats to its core objectives, such as profit extraction and exploitation. One way it accomplishes this is by rewriting the rules governing social and economic structures. Capitalism's rewriting of rules serves to conserve its fundamental principles while containing and managing collective action that challenges its interests (Flipo, 2015). As capitalism confronts organised groups or movements that pose a threat to its stability or profitability, it employs strategies to transform these groups into series. This transformation involves dismantling or weakening the

collective efforts of groups and reasserting control through institutional means. Capitalism can establish new institutions or strengthen existing ones that align with its objectives (Flipo, 2015).

In this process, institutions play a significant role in containing praxis, which refers to the practical and transformative actions taken by individuals and groups. Capitalism seeks to ensure that individuals become practico-inert, meaning their actions become routine, predictable, and less likely to challenge the established order (Flipo, 2015). For example, when faced with labour movements advocating for workers' rights and better working conditions, capital may respond by instituting labour laws and regulations that *appear* to address workers' concerns. While these measures may provide some improvements, they also serve to institutionalise and regulate labour relations, making them more predictable and less disruptive to capitalist interests. The expansion of collective bargaining in France serves as a pertinent example of this phenomenon.

In essence, capitalism's ability to rewrite rules and create series is a strategy for maintaining its dominance and preserving its core principles. By shifting the balance between groups and series, capitalism can ensure a level of control and stability that aligns with its objectives.

### 3.1.5.2 *Etre-de-Classe*

Sartre's critique of dialectical reason provides a rich theoretical framework for understanding social classes as complex structures shaped by the interplay of three key modes of structuration: seriality, institution, and group (Féron, 2015). This section will delve into Sartre's conceptualisation of social classes, exploring how individuals are structured within these modes and the implications for solidarity and power dynamics. At the core of Sartre's analysis is the notion that every social phenomenon is defined by the way it organises relations between individuals (Féron, 2015). Social classes, in particular, are seen as intricate articulations of these modes of structuration.

Seriality, as the foundational mode, plays a significant role in shaping individuals' identities within a social class (Féron, 2015). Within seriality, individuals are characterised by their "être-de-classe," which translates to their status or position within the class (Féron, 2015). This status is not merely defined by economic factors but also by shared habits, common thoughts, and acquired characteristics. These commonalities emerge as a result of individuals living in similar material conditions and engaging in the same types of activities (Féron, 2015). However, it is essential to note that the shared identity within seriality does not automatically generate solidarity among individuals. In fact, serialised individuals often find themselves isolated from one another and experience a sense of powerlessness (Féron, 2015). This isolation arises from the inherent limitations of seriality, where individuals are connected primarily by external circumstances and do not necessarily recognise each other as equals or cooperate in collective action. Seriality is the foundation on top of which two of the following structures are being built: Institutions and Groups. These structures interact and shape the concrete form a social class takes at a given moment in history (Féron, 2015).

Institutions, whether economic, political, or cultural, play a crucial role in shaping individuals' roles and interactions within a social class (Féron, 2015). They provide the structure and rules that govern class relations, often reinforcing existing power dynamics. Institutions within a class, such as trade unions, associations, political parties, or even the state in the case of the dominant class, claim to represent the interests of the class as a whole (Féron, 2015). They act on behalf of the isolated individuals within the class, often speaking in their name. These institutions are characterised by predetermined functional rules and divisions of labour that enable collective action, the formulation of common thoughts, and the development of a sense of belonging to the class. Institutions provide a structured platform for class members to come together and work toward shared goals. These institutions are characterised by (pre)determined functional rules and divisions of labour, that allow the class to act, to formulate common thoughts and to develop a feeling of class belonging.

Finally, the third mode of structuration, the group, offers the potential for collective action and solidarity within a social class (Féron, 2015). Unlike the isolation experienced in seriality, individuals within a group recognise each other as equals and cooperate to pursue common goals. Groups have the capacity to challenge existing power structures, effect change, and promote solidarity among their members. Finally, we can find groups that also pretend to act in the name of a class (Féron, 2015). These individuals that are organised in the aim of a common action carry this belonging sentiment to a maximal degree: the other is then perceived as a struggle brother (Féron, 2015). We find this fusion and fraternity in big movements but also in smaller groups that are highly integrated (Féron, 2015). Groups play a critical role in channelling collective action and challenging existing power structures.

Sartre's conceptualisation of social classes as intricate articulations of seriality, institution, and group provides a nuanced understanding of the dynamics within class structures. It highlights the importance of recognising that shared identity alone does not guarantee solidarity and underscores the role of institutions and collective action in shaping the power relations and potential for transformative change within social classes. The way these three structures—seriality, institutions, and groups—are articulated determines the concrete form a social class assumes at a particular historical moment (Féron, 2015). This articulation is not static but evolves through interactions and class struggles (Féron, 2015). Class struggle aims to render the opposing class incapable of acting collectively, essentially rendering them powerless (Féron, 2015). This involves breaking the links between serial individuals, institutions, and groups.

Class struggle may target the institutions and groups of the opposing class, altering or destroying the structures that serve their interests, whether through legal or physical means (Féron, 2015). It can also involve deploying propaganda to discredit these institutions and groups, making them appear unrepresentative of their class. Importantly, these efforts often focus on serial individuals from the opposing class (Féron, 2015). One practical aspect of this strategy involves changing the conditions of existence for serial individuals, thereby altering their needs, thoughts, and demands—what Sartre

terms their "être-de-classe" (Féron, 2015). By changing the conditions that shape serial individuals' lives, these individuals may cease to feel represented by the opposing groups and institutions, leading to a weakening of class solidarity and collective action. Sartre's framework underscores that various phenomena, such as Taylorism, credit consumption, or mass media, can be understood as tools employed by the bourgeois to reshape the "être-de-classe" of the proletariat and neutralise their potential for collective action within class struggle (Féron, 2015). These mechanisms serve to alter the conditions and consciousness of serial individuals, thus impacting the dynamics of class struggle.

### *3.1.5.3 Sartre's Framework in Modern Capitalism*

Sartre's analytical framework, as outlined in his critique of dialectical reason, offers valuable conceptual tools to reconsider and understand the notions of class struggle and social classes in contemporary capitalism (Féron, 2015). Despite efforts by contemporary capitalism to discredit these concepts, Sartre's insights provide a means to navigate and analyse the complexities of our current socio-economic landscape (Féron, 2015). In today's context, the idea of class struggle has often been marginalised or dismissed, with narratives of post-class societies and meritocracy gaining prominence. Additionally, the traditional understanding of social classes has been challenged as contemporary capitalism has given rise to new forms of inequality, precarious work, and global economic forces that blur traditional class boundaries.

Sartre's framework encourages us to revisit and reevaluate these concepts. It highlights the importance of recognising the foundational role of seriality, institutions, and groups in the formation and dynamics of social classes. By acknowledging the ongoing interactions and struggles between these structures, we can better understand how class consciousness and collective action manifest in contemporary society. Furthermore, Sartre's emphasis on the "être-de-classe," the conditions that shape individuals' class identity and consciousness, offers a lens through which to analyse how

contemporary capitalism influences and reshapes the experiences and perceptions of individuals within different social strata.

Overall, Sartre's framework encourages us to critically engage with and reinvigorate discussions about class struggle and social classes in the face of evolving economic and social landscapes. By using these conceptual tools, we can better grasp the complexities of contemporary capitalism and its effects on individuals and society as a whole (Féron, 2015).

### 3.1.6 Inequality and Solidarity in Post-War Capitalism

Silver's (2014) analysis provides critical insights into the evolving landscape of class dynamics and inequality within the context of capitalism. Silver observes historical shifts in inter-class equality, particularly during the post-war economic boom and the subsequent rise of neoliberalism. In the post-war period, many developed countries experienced a period of relative equality due to factors like progressive taxation, strong labour movements, and government intervention in the economy. This era witnessed a narrowing of income gaps between different classes. A significant development during the neoliberal era, as highlighted by Silver, is the increase in intra-class inequalities. This means that within the same broad class categories, such as the working class, there are growing disparities in income, wealth, and access to resources. Smaller businesses often struggle to compete with multinational corporations, leading to the concentration of economic power in the hands of a few dominant players. Similarly, different categories of workers, based on skills, education, or occupation, may experience varying degrees of economic well-being.

The emergence of intra-class inequalities can have implications for workers' self-identification. When workers perceive themselves as 'middle class' due to improved conditions or relative privileges compared to others within their class, this can erode a sense of class solidarity. As a result, it becomes challenging to mobilise workers collectively in the pursuit of common class interests. This shift in identity can weaken workers' associational power, making it harder for labour movements to advocate

for their rights and influence policy decisions. Indeed, increasing intra-class inequalities contribute to the serialisation of individuals. This means that workers become more isolated and disconnected from each other, and less likely to identify with a collective identity or cause. This is a process where workers lose their sense of belonging and solidarity with their class, and instead see themselves as separate and competing individuals. This can happen when workers have different levels of income, education, or status within the same class, and feel that they have different interests and aspirations. This can also happen when workers face different forms of exploitation, oppression, or discrimination based on their gender, race, ethnicity, religion, or other factors. As intra-class inequalities grow, some workers may experience improved material conditions, which could include higher incomes, better job benefits, or enhanced living standards. While these improvements may seem positive on an individual level, they can inadvertently lead to a sense of isolation and disconnection from fellow workers. Workers who experience improved conditions might start focusing more on safeguarding their newfound privileges and maintaining their individual economic stability. Their priorities may shift away from collective solidarity and shared class interests. The consequence of this shift in priorities is the erosion of collective identity within the working class. Workers become less likely to identify themselves as part of a larger social or economic group with shared struggles and common goals. The feeling of solidarity weakens as they distance themselves from others who have not experienced the same material improvements. This serialisation of individuals poses significant challenges for labour movements and collective advocacy efforts. A fractured and disunited working class is less likely to come together to address common issues or push for labour rights, fair wages, and improved working conditions. In extreme cases, the serialisation of individuals can lead to the fragmentation of the working class. Workers may no longer see themselves as having a common cause or shared interests with others in their class, which can hinder their ability to mobilise and advocate for change.

This can create divisions and conflicts among workers, and reduce their willingness and ability to cooperate and organise for their common good. This can weaken their power and influence in society, and make them more vulnerable to the domination and manipulation of the ruling class.



To gain a deeper understanding of these dynamics, it is essential to delve into the concept of power, which will be the focus of the next section. Power, in the context of labour market flexibilisation and class relations, plays a pivotal role in shaping the outcomes of class struggles and the overall functioning of the capitalist system. Power within the realm of class relations is not static but rather a dynamic and multifaceted force that influences the actions and outcomes of various class actors. It is through power that different classes and their agents, such as managers and labour unions, negotiate and contest their interests. The distribution and exercise of power can take on various forms and dimensions. For instance, power may manifest as economic power, where capitalists possess the means of production and the financial resources to influence and control labour markets and production processes. This economic power can be leveraged to shape labour policies and practices in ways that favour capital accumulation. Additionally, power can also manifest in political forms, where capitalists and their representatives may exert influence over government policies and regulations, shaping the legal framework within which labour relations are conducted. This political power can impact the formulation and implementation of labour market flexibilisation policies, as states have historically aligned their interests with those of capital. Furthermore, power dynamics within labour unions and workers' organisations are crucial to understanding how collective action and negotiation strategies unfold. Union leaders and organisers wield significant influence over the decisions made within these organisations, and their choices can have a profound impact on the outcomes of labour disputes and negotiations. The concept of power extends beyond traditional economic and political dimensions to encompass social and cultural aspects as well. Ideological power, for example, refers to the ability of dominant classes to shape and control the prevailing ideologies and narratives that influence the consciousness and beliefs of workers. This can impact their willingness to engage in collective action or accept certain labour market policies. In essence, power is a dynamic force that permeates all aspects of class relations and class struggle within the capitalist

system. The following section will delve into a more detailed exploration of the various dimensions of power and their significance in the context of labour market flexibilisation policies.

## 3.2 Power

As we transition from the abstract to the concrete, we navigate a terrain marked by a multitude of complexities that encompass rights and powers within the realm of class relations. This shift from theoretical abstraction to empirical reality introduces layers of intricacy and nuance, shedding light on the multifaceted nature of power dynamics. In the abstract, the capitalist class is generally understood to hold power over labour and the ability to exert control and oppression within the capitalist system. However, as we delve into the concrete, we encounter a rich tapestry of complexities that define the contours of class relations. These complexities can be observed through the lens of both inter-class and intra-class imbalances.

### 3.2.1 The Three Dimensional View of Power

Building on the foundational concepts of rights and powers, Lukes' three-dimensional view of power provides a more nuanced understanding of how power is exerted and experienced in societal structures.

Lukes' (2005) nuanced perspective on power expands upon the traditional understanding of "power over" – the ability of one party (A) to compel another party (B) to undertake actions that B would not have voluntarily chosen to do. In Lukes' framework, the concept of 'power to' is introduced, signifying an agent's capacity to advance their own interests. Power can be defined in terms of 'agents' abilities to bring about significant effects, specifically by furthering their own interests and/or affecting the interests of others, whether positively or negatively' (Lukes, 2005, p. 65).

(Lukes, 2005, pp. 74–80) offers a framework to compare agents power based on several dimensions:

1. The issue-scope (single-issue or multi-issue): This dimension distinguishes between single-issue power, where an agent's influence is limited to a specific concern, and multi-issue power, which extends across a range of diverse issues.
2. The contextual range (context-bound or context-transcending): Agents' power can be context-bound, applying only within specific circumstances, or context-transcending, exerting influence across a broader array of contexts.
3. Intentionality (intended consequences or unintended consequences): Power can involve intended consequences, where agents deliberately seek particular outcomes, or unintended consequences, where the effects of their actions are unforeseen.
4. Activity (active exercise or inactive enjoyment): Lukes' framework differentiates between active exercise of power, where agents actively pursue their interests, and inactive enjoyment, where agents passively benefit from power structures.

*“With respect to an agent’s power over a given issue, or a given set of issues, we can say that another agent’s power, over that issue or set of issues, is greater if it exhibits greater contextual range, brings about further significant consequences or involves less cost to the agent.” Lukes (2005, p. 79)*

In short, according to Lukes (2005, p. 79), in assessing an agent's power over a particular issue or set of issues, the power of another agent can be considered greater if it exhibits a wider contextual range, leads to more substantial consequences, or imposes fewer costs on the agent. This multidimensional understanding of power enables a more comprehensive evaluation of how power operates in various contexts.

Luke’s framework also accounts for three dimensions of power, as highlighted below:

The 1<sup>st</sup> dimension of power (power over), encompasses both coercive and non-coercive aspects in the context of decision-making. For example: In a criminal context, a robber wielding a weapon in a mugging scenario demonstrates coercive power. The robber uses the threat of physical harm to compel the victim to hand over their valuables. The victim complies out of fear for their safety. Non-coercive power, on the other hand, operates without the use of force or direct threats. It involves influencing or shaping the decisions and actions of others through legitimate or socially acceptable means. For instance, a town mayor's decision to implement new penalties against drivers not respecting speed limits and traffic rules. The mayor's authority and position allow them to make decisions that deter drivers from engaging in speeding, even though it is their intent. In this case, the power holder acts within the boundaries of established laws and regulations to shape the behaviour of individuals.

The 'second face' of power (power to), known as agenda setting, involves influencing the scope and topics of discussion, essentially controlling what issues are brought to the forefront and which ones remain in the background. This type of power allows individuals or groups to shape the narrative and limit the range of topics under consideration.

(Bachrach and Baratz, 1962) capture this aspect of power with the statement, *"To the extent that a person or group – consciously or unconsciously – creates or reinforces barriers to the public airing of policy conflicts, that person or group has power."* In essence, this dimension of power operates by setting the boundaries of discourse, determining what is up for debate and what is not.

An example that illustrates the concept of agenda-setting power in the realm of media could be powerful individuals or corporations who own major news outlets can exercise agenda-setting power by deciding which stories receive extensive coverage and which ones are marginalised or omitted. For instance, a media conglomerate controlled by a particular political ideology may choose to focus extensively on issues that align with their agenda while downplaying or neglecting opposing

viewpoints or critical stories. In this way, they manipulate public discourse by shaping the agenda and influencing public perception. Another example, in the context of healthcare policy, powerful pharmaceutical companies and healthcare industry lobbyists often exert agenda-setting power. They can influence government officials and policymakers to prioritise discussions on topics such as patent protections, drug pricing, and healthcare regulations while diverting attention away from broader healthcare reform or universal healthcare initiatives. By framing the agenda in their favour, these influential groups can steer policy decisions to safeguard their interests. Agenda-setting power revolves around the ability to shape discussions and determine which issues gain prominence in public discourse. It can have far-reaching consequences on public opinion and policy outcomes, making it a crucial aspect of the power dynamics in various domains, including media and policymaking.

The 'third face' of power (power in), often referred to as thought control, delves into the realm of influencing individuals or groups to such an extent that they may not even recognise their true interests or the underlying causes of their problems. This form of power operates by preventing conflicts or challenges from emerging in the first place, making it highly effective and pervasive. For example, in modern societies, media plays a pivotal role in shaping public opinion and influencing collective beliefs. Powerful entities, such as media conglomerates with vested interests, can exercise thought control by framing narratives in a way that diverts attention from systemic issues. For instance, when discussing poverty and its relationship to crime, media outlets might consistently portray poverty as a natural or individual failing, rather than acknowledging its systemic roots. By perpetuating this narrative, they divert attention from structural inequalities and discourage discussions about anti-poverty programs or broader social reforms. In this scenario, the powerful actors manipulate the public's understanding of the issue, making it difficult for individuals to recognise the underlying social and economic factors at play. As a result, meaningful debate and potential challenges to the prevailing power structures are stifled.

In summary, the third face of power, thought control, revolves around shaping perceptions and beliefs to prevent conflicts and challenges from arising. It operates by influencing the way individuals perceive their own interests and the broader social context, effectively maintaining the existing power dynamics and status quo. As Steven Lukes (2005, p27) aptly puts it, "*The most effective and insidious form of power is to prevent ... conflict from arising in the first place.*" In essence, it involves manipulating perceptions and beliefs to maintain the status quo, even if it runs counter to the interests of certain groups.

### 3.2.2 Rights and Powers

(Wright, 2005, p. 9) introduced the concept of rights and powers as a fundamental framework for analysing social relations within a class relational perspective. In this context, 'powers' refer to the effective control that individuals or groups have over the use and disposition of productive resources. It signifies the ability to make decisions and exert influence in the context of these resources. On the other hand, 'rights' add the dimension of legitimacy, indicating that these powers are not only exercised but are also recognised as lawful and enforced by the state:

*"By 'powers' over productive resources I mean effective control over the use and disposition of the resources in question. The term 'rights' provides the additional idea that these powers are viewed as legitimate and enforced by the state"*

*(Wright, 2005, p. 18).*

Within the framework of class relations, owning something such as land for capitalist production or personal enjoyment yield different rights and powers. For instance, a capitalist who owns land for production purposes wields significant powers. They control the utilisation of the land in the production process, hire and manage workers, oversee the production process itself, and ultimately expropriate profits generated from it (Wright, 2005, p. 10).

This conceptualisation of rights and powers provides a nuanced perspective for understanding how social relations and class dynamics function within the broader context of capitalist societies. It acknowledges that ownership alone does not guarantee power; it is the combination of control over resources and the legitimacy conferred by societal and legal structures that defines the dynamics of class relations and influences the distribution of resources and benefits.

### 3.2.3 Real and subjective interests

Wright's definition of power as the 'capacity of individuals and organisations to realise class interests' (Wright, 2000, p. 962) provides a valuable perspective that emphasises power as a relational concept within the context of class analysis. This definition underscores the idea that power is not an abstract or inherent quality but rather a dynamic force that comes into play in the pursuit of class-based objectives. Power, as defined by Wright, is primarily directed towards the realisation of class interests. While this aligns with the focus of class analysis, it does not account for the broader range of interests and motivations that individuals and organisations may have. Lukes' perspective, which includes the notion of 'power to,' acknowledges the potential for power to be wielded to further subjective interests beyond strictly class-related goals.

It is also important to differentiate the improvement in material conditions from the improvement of workers' associational power. While these factors can indeed be interrelated and mutually reinforcing, they are distinct aspects of class dynamics. The improvement of material conditions, such as income or benefits, can lead to certain outcomes such as changing the way individuals relate to each other and to their collective interests. As highlighted above, according to Sartre, individuals can be either serialised or grouped depending on their level of awareness and action. The improvement of material conditions can affect the degree of serialisation or grouping among individuals, depending on how it influences their awareness and action. For example, higher income or benefits might reduce the sense of deprivation and oppression among workers, making them more likely to form groups and pursue

their collective interests. Alternatively, higher income or benefits might also increase the sense of individualism and complacency among workers, making them more likely to remain serialised and indifferent to their collective interests. This, in turn, may influence workers' associational power. However, it is important to recognise that these aspects can also operate independently. For instance, capitalists might strategically enhance material conditions while limiting associational power or vice versa.

Lukes (2005, pp. 37–38) provides a nuanced framework for analysing how individuals and groups perceive and pursue their interests within the realm of political participation and power dynamics:

*“Extremely crudely, one might say that the liberal takes people as they are and applies want-regarding principles to them, relating their interests to what they actually want or prefer, to their policy preferences as manifested by their political participation. The reformist, seeing and deploring that not everyone’s wants are given equal weight by the political but allows that this may be revealed in more indirect and subpolitical ways - in the form of deflected, submerged or concealed wants and preferences. The radical, however, maintains that people’s wants may themselves be a product of a system which works against their interests, and, in such cases, relates the latter to what they would want and prefer, were they able to make the choice.”*

Lukes' framework highlights the complexities inherent in understanding interests and power, especially when moving from theoretical abstractions to concrete analyses. The three-dimensional view of power emphasises the importance of considering both subjective and real interests. Real interests, in this context, refer to what individuals would genuinely want and prefer if they were free



from systemic influences or constraints. Lukes argues that empirical research can shed light on these real interests by examining how power operates in practice and how it may shape individuals' choices and preferences.

Lukes' framework encourages a more comprehensive exploration of interests and power, recognising that people's behaviour and preferences can be influenced by a variety of factors, including structural forces that may not align with their true well-being..

### 3.2.4 Trade Union Power

Lévesque and Murray (2010, p. 335) contend that Lukes' conceptualisation of power offers a valuable framework for examining trade unions because, although the concept of 'power over' remains pertinent, the primary objective of trade unions is to 'empower workers' by enhancing their resources and capabilities, thereby increasing their capacity for action. Expanding upon the foundational work of Lukes and Hyman, Lévesque and Murray identify four key power resources that are instrumental in understanding union dynamics: narrative, infrastructural, internal solidarity, and network embeddedness (Lévesque and Murray, 2010).

The union power resources highlighted by Gumbrell-McCormick and Hyman (2013, , pp. 30–31) are as follow:

1. **Structural Power:** This resource is rooted in a union's strategic positioning within the production process. Unions with a strong presence in critical sectors of the economy wield significant structural power. Their ability to disrupt or influence production processes provides them with leverage in negotiations and disputes.
2. **Associational Power:** Associational power focuses on the relationships and interactions between different agents within labour. This includes connections between trade unions, their

members, and other labour organisations. Strong associational power can enhance a union's ability to mobilise collective action and coordinate efforts across various groups.

3. **Organisational Power:** Organisational power is closely tied to a union's social capital. It encompasses the networks, alliances, and affiliations that a union has established over time. The depth and breadth of these social connections can enhance a union's capacity to garner support, resources, and solidarity from various quarters.
4. **Institutional Power:** This dimension of power concerns the extent to which trade unions benefit from legislative and regulatory support. Legal frameworks that recognise and protect workers' rights, collective bargaining, and the existence of labour unions can significantly bolster a union's institutional power. Such legal backing can provide unions with legitimacy and legal recourse in their interactions with employers and the state.

In addition, Lévesque and Murray (2010) point out that the analysis of power resources alone is not sufficient as one needs to look at their ability to put these resources to good use, therefore they put forward the four following union capabilities:

1. **Intermediation Capability:** This pertains to the union's ability to serve as an intermediary between workers and other stakeholders, such as employers or government bodies.
2. **Framing Capability:** Unions possess the capacity to frame issues and concerns in a manner that resonates with workers, effectively shaping the narrative and mobilising support.
3. **Articulating Capability:** This capability involves the union's skill in articulating workers' interests and demands in a coherent and persuasive manner, enabling effective communication with various audiences.
4. **Learning Capability:** Trade unions must continually adapt and evolve. This capability refers to their capacity to learn from experiences, both successes and failures, and to apply these lessons to future actions and strategies.

These union capabilities are intertwined with the power resources, as they determine how effectively unions can harness and deploy these resources in the pursuit of their objectives. Together, power resources and capabilities provide a comprehensive framework for comprehending the dynamics of trade unions and their role in advancing workers' interests and empowerment within class relations.

### 3.2.5 Bargaining Power

Silver's (2014, p. 49) analysis focuses on the unmaking and the remaking of the working class, and the strengthening and weakening of workers' bargaining power. She emphasises four strategies that contribute to this phenomenon:

1. **Spatial Fix:** The spatial fix involves the geographical relocation of industries and production facilities. Firms often seek locations with lower labour costs, tax incentives, or access to new markets. This strategy can lead to the unmaking and remaking of working classes in different regions. Workers in areas losing industries may face job displacement and economic hardship, while those in regions with new investments may experience job opportunities and growth in their bargaining power.
2. **Technological Fix:** The technological fix refers to the introduction of labour-replacing technologies in production processes. Automation and advanced machinery can increase productivity but may reduce the demand for manual labour. This can have a dual effect on workers' bargaining power. On one hand, workers with expertise in operating and maintaining these technologies may gain stronger bargaining positions. On the other hand, those in labour-intensive roles that are easily automated may face job insecurity and a weakened position.
3. **Product Fix:** The product fix involves the shift from declining industries to emerging ones. As old industries decline due to changes in consumer preferences or technological obsolescence, new industries and sectors emerge. This transition can lead to the unmaking of working

classes associated with traditional industries and the remaking of classes within new sectors.

Workers may need to adapt their skills and organisation to remain competitive.

4. **Financial Fix:** The financial fix is characterised by a shift in investments from productive sectors (e.g., manufacturing) to the financial sector, including speculative activities. This shift reallocates capital away from job-creating industries, resulting in the weakening of working classes. Financialisation tends to prioritise the interests of financial elites over workers, contributing to income inequality and reduced bargaining power for labour.

Silver's analysis underscores how these strategies interact and can have differential implications for workers. The evolving nature of capitalism and economic globalisation further complicates these dynamics. Understanding these strategies is crucial for comprehending the contemporary challenges and opportunities facing the working class and its ability to negotiate for improved conditions and rights.

In conclusion, the exploration of power dynamics within class relations, as articulated in this discussion, underscores the multi-dimensional nature of power, intricately woven into the fabric of capitalist societies. Lukes' three-dimensional view of power, enriched by the concepts of rights, powers, and the various aspects of trade union dynamics, provides a comprehensive lens through which to scrutinise the complexities inherent in class relations. The transition from the abstract to the concrete realm in this analysis reveals the multifarious nature of power, extending beyond mere domination to encompass capabilities, rights, and the subtle nuances of influence and control. Lukes' framework elucidates the diverse manifestations of power – from coercive to agenda-setting, and thought control – highlighting the dynamic interplay between different agents and the multitude of factors that shape power relations. This conceptualisation moves beyond traditional notions of power, offering a deeper understanding of how power is exercised and experienced in societal structures, and how it shapes and is shaped by class dynamics. The insights provided by Wright and others into the

role of rights and powers in class relations further enrich this analysis. This perspective emphasises the importance of understanding the effective control over productive resources and the legitimacy of such control as fundamental to analysing social relations within a Marxist framework. The nuanced differentiation between real and subjective interests, as discussed by Lukes and Wright, underscores the complexity of assessing power in relation to class interests, revealing the layered nature of agency and influence within capitalist societies. The examination of trade union power, particularly through the lens of Lévesque and Murray, adds another dimension to this analysis. The identification of key power resources and union capabilities highlights the critical role trade unions play in empowering workers and shaping class relations. These aspects of power resources and capabilities provide a rich context for understanding the dynamics of trade unions and their impact on advancing workers' interests and empowerment within class relations. Finally, Silver's analysis of bargaining power through strategies like the spatial, technological, product, and financial fixes, offers a valuable perspective on the changing landscape of the working class in the context of global capitalism. This analysis underscores the evolving nature of capitalism and its implications for the working class, emphasising the importance of understanding these strategies to grasp the contemporary challenges and opportunities facing workers in their struggle for improved conditions and rights. Overall, this comprehensive exploration of power within class relations offers a profound insight into the intricate and complex nature of power dynamics in capitalist societies, providing a robust foundation for further academic enquiry and practical application in the field of Marxist political economy.

### 3.3 The Dynamics of Labour Market Flexibilisation: Neoliberal Strategies and Class Power Shifts

Flexibilisation policies represent the neoliberal labour market measures that have been widely adopted in the face of the profitability crisis of the 1970s. Additionally, they were employed as a means

to reshape the dynamics of capitalism in response to emerging workers' class consciousness, exemplified by events such as the May 1968 protests in France. The flexibilisation of the labour market is a process, as each flexibilisation policy dynamically affects a wide range of interconnected factors. The rationale behind flexibilisation policies was rooted in the need to adapt to changing social and economic landscapes. As workers began to unite and demand better working conditions, higher wages, and increased rights, capitalists sought alternative methods to maintain control and protect their economic interests. Flexibilisation policies emerged as one of the strategies employed to achieve these objectives.

It is important to note that the implementation of flexibilisation policies can vary significantly from one country to another. For instance, in the case of Thatcher's Britain, these policies were often associated with a drastic reduction in union rights and collective bargaining coverage. However, France adopted a distinct approach to flexibilisation, namely high collective bargaining coverage coupled with low union density, which will be thoroughly examined in the upcoming chapter. The diversity in the implementation of flexibilisation policies reflects the unique socio-economic and political contexts of each country. These policies are not a one-size-fits-all solution but rather a set of measures tailored to address specific challenges and objectives within each nation's capitalist framework. Consequently, understanding the nuances of how flexibilisation policies manifest in different countries is crucial for comprehending their impact on labour relations, class dynamics, and the broader capitalist system.

In short, labour market flexibilisation policies are labour market policies under neoliberal capitalism that aim to:

- 1. Transform groups into series:**

Labour market flexibilisation policies often aim to break down organised groups of workers and transform them into more isolated individuals or series. In the context of Jean-Paul Sartre's framework, this means weakening collective action and solidarity among workers. This transformation is achieved through various means, including the decentralisation of

collective bargaining, reducing the influence of trade unions, and promoting individualised employment contracts. By doing so, these policies make it more challenging for workers to collectively negotiate for better wages, working conditions, or job security. Instead of facing organised groups, employers deal with individual workers, making it easier to impose unfavourable terms and conditions.

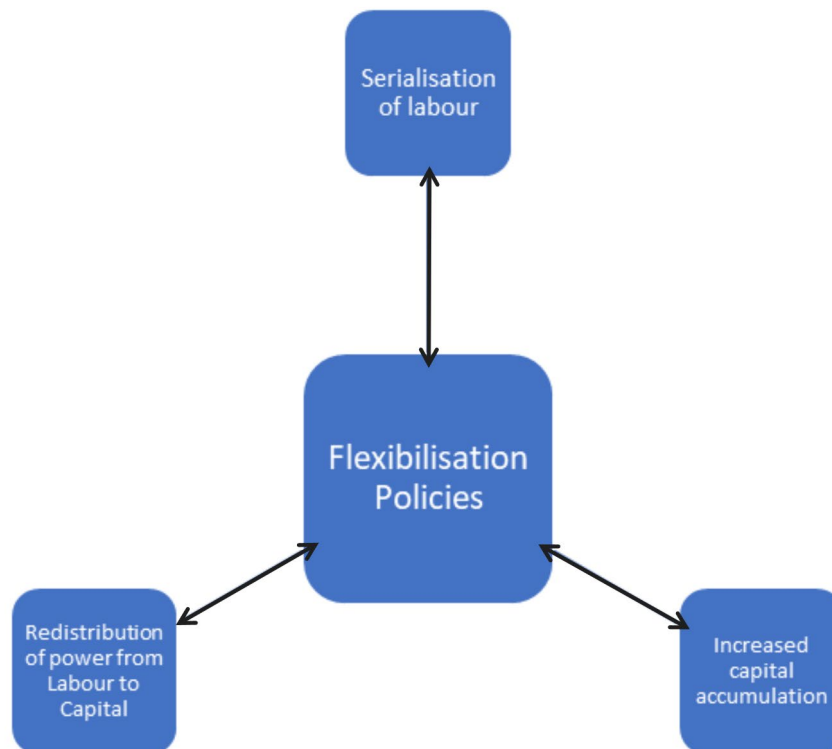
## **2. Redistribute power from labour to capital:**

Labour market flexibilisation policies are often designed to shift the balance of power from labour to capital. This can involve reducing legal protections for workers, making it easier to hire and fire employees, and limiting the influence of trade unions. By diminishing workers' bargaining power, these policies allow employers to dictate the terms of employment, including wages, benefits, and working hours. This redistribution of power tends to favour capital by enabling cost-cutting measures and increasing profit margins.

## **3. Increase the rate of capital accumulation:**

(Neoliberal) Capitalism prioritises the accumulation of capital as a central goal. Labour market flexibilisation policies contribute to this objective by promoting economic conditions that facilitate the accumulation of wealth and capital by the capitalist class. When employers have greater control over the labour force and can reduce labour costs, they can allocate more resources towards investment, expansion, and technological advancements. This, in turn, can lead to increased productivity and profitability, furthering the accumulation of capital. These policies often come at the expense of workers' rights and well-being.

### 3.3.1 How do these elements reinforce each other dynamically?



#### **Increased rate of capital accumulation**

Increasing the rate of capital accumulation can contribute to the unmaking and remaking of working classes. In the context of flexibilisation policies, the increase of the rate of capital accumulation, contributed to the rise of intra-class inequalities, and therefore the serialisation of workers. As capital accumulation intensifies, there is a tendency for employers to exploit the newfound flexibility in labour markets. This can result in rising intra-class inequalities, where some workers benefit more than others. For instance, highly skilled or specialised workers may have more negotiating power and can secure better terms compared to those in precarious or low-skilled jobs. The emergence of intra-class inequalities can lead to the fragmentation of the working class. Workers who experience relative privileges due to their skills, qualifications, or positions may no longer identify as strongly with those in less advantageous situations. This division weakens the sense of class solidarity. The fragmentation of the working class contributes to the serialisation of workers. In a serialised workforce, individuals are more isolated, less likely to engage in collective action, and often focus on their own interests. This



shift in identity makes it harder to mobilise workers collectively in pursuit of common class interests. Labour movements may struggle to accommodate these new divisions. Unions and collective bargaining efforts may become less effective as they face challenges in uniting workers with diverse interests. The transformation of working classes and the rise of intra-class inequalities can also influence labour policies. Policymakers may become less inclined to support pro-worker policies, especially when there is no unified working-class voice advocating for such measures. Hence increasing the amount of flexibilisation policies being implemented.

Of course, a greater rate of capital accumulation means that the capitalist is able to extract more surplus value from the workers, and therefore has more power. The ability to extract more surplus value and accumulate capital provides capitalists with increased leverage over the workforce. They can impose terms and conditions that favour their interests, such as limiting wage increases, reducing benefits, or implementing labour market flexibilisation policies. As capitalists accumulate more capital, their economic power grows significantly. They have more resources at their disposal, which can be used to influence economic and political decision-making, such as lobbying for policies favourable to their interests. This involves the implementation of labour market flexibilisation policies.

### **Redistribution of Power from Labour to Capital**

Capitalists can use their increased power to accumulate capital further. As capitalists gain more bargaining power, it becomes easier to hire and fire workers, adjust working hours and conditions, and offer contracts with lower wages and fewer benefits. These changes reduce labour costs for businesses. As a result, they can allocate a smaller portion of their revenue to wages and benefits, thereby increasing capital accumulation. Furthermore, if the additional profit is reinvested in the company (for various purposes such as expansion, innovation, or the acquisition of assets) then this has the potential to increase the rate of capital accumulation further. A shift in power from labour to capital can lead to increased political influence for business interests. This influence can be used to

advocate for policies that are conducive to capital accumulation, such as lower corporate taxes, reduced regulation, subsidies, or flexibilisation policies.

The shift in power from labour to capital can serialise workers. As capitalists gain more power, workers may fear losing their jobs, making them less likely to engage in collective actions or voice their concerns. Job insecurity can lead to a focus on individual job retention rather than collective labour rights. With the increased power of employers, they can create a competitive atmosphere among workers. Workers may perceive each other as competitors for jobs and opportunities, which can discourage collective solidarity. This competition can further isolate workers from one another. As the Bourgeois gain control over major media outlets, workers increasingly perceive themselves primarily as individuals pursuing their own interests rather than part of a collective class, thus weakening class solidarity. The shift in identity from "workers" to "individuals" is symptomatic of policies that prioritise individualism and competition over collective interests. A shift in power can also be accompanied by cultural and ideological shifts that emphasise individualism, consumerism, and competition. These factors can encourage workers to focus on individual pursuits rather than collective action. These factors, in turn, make it harder for workers to oppose flexibilisation policies.

### **Serialisation of Labour**

The serialisation of labour can be advantageous for capitalists and contribute to the increase in the rate of capital accumulation. Serialised workers are often in a weaker position to negotiate for better wages and working conditions. This enables employers to exercise more control over labour costs. With individualised employment contracts, employers can adjust wages, benefits, and working hours more flexibly, often in their favour. With weakened collective power and solidarity, serialised workers are less likely to engage in collective actions such as strikes, protests, or collective bargaining. This reduction in resistance means employers can implement changes or cost-saving measures without facing significant opposition. Serialisation can lead to a competitive atmosphere among workers,

where they see each other as competitors for jobs and opportunities. This competitive mindset can discourage workers from collectively demanding better pay and working conditions, as they focus on outperforming their peers. With labour costs under control and reduced labour-related disputes, employers can achieve higher profits. In a serialised labour environment, where workers may be less likely to join or remain active in unions, unionisation rates tend to decrease. Lower unionisation rates mean fewer obstacles to management decisions and more flexibility in shaping labour policies. Serialisation often leads to a stronger emphasis on individual performance and accountability. Workers may feel individually responsible for their employment conditions and may be less likely to attribute issues to collective factors. With weakened collective actions and a reduced focus on workers' rights, regulatory pressure on employers may decrease. This can result in less stringent labour regulations and enforcement, further benefiting employers. A serialised workforce may consist of workers with diverse contracts, interests, and working conditions. This fragmentation can make it challenging for workers to unite around common goals, further enhancing the advantage of capitalists. The process of serialising labour under labour market flexibilisation entails a redistribution of power from labour to capital. As labour becomes more individualised and fragmented, it weakens the collective bargaining power of workers and reduces their ability to negotiate for better wages, working conditions, and job security. The resulting power imbalance benefits capital by allowing employers to exert more control over employment terms, reduce labour costs, and maximise profits. This in turn, gives more power to the capitalist to implement further flexibilisation policies.

### 3.3.2 The Redistribution of Power from Labour to Capital

#### 3.3.2.1 *Using Luke's Power Framework, in what ways do flexibilisation policies redistribute power from labour to capital?*

Flexibilisation policies, within the context of labour market dynamics, represent a concrete manifestation of power relations between labour and capital. As we transition from the abstract to

the concrete, it becomes evident that these policies play a pivotal role in redistributing power from labour to capital through various dimensions of power.

**First Dimension of Power - Power Over:** One way flexibilisation policies redistribute power from labour to capital is by influencing decision-making within the labour market. In the realm of labour policies, flexibilisation measures can be coercive or non-coercive. For instance:

**Coercive Power Over:** Flexibilisation policies that weaken labour protections, such as employment-at-will arrangements or reduced job security, exert coercive power over workers. In this scenario, capital, represented by employers or corporations, compels workers to accept precarious employment conditions due to the fear of unemployment or loss of income. This coercion limits the ability of workers to negotiate better terms and conditions, effectively tilting decision-making power in favour of capital.

**Non-Coercive Power Over:** Additionally, capital exercises non-coercive power over labour by influencing policy decisions within legal and regulatory frameworks. Lobbying efforts by business associations or corporations, or even the state itself, as an agent of capital can shape the legislative agenda and result in policies that align with their interests. For example, policies favouring deregulation or reduced collective bargaining rights can be enacted, which empowers capital to set the terms of employment, further diminishing the decision-making power of labour. In addition, the state being an agent of capital, has power over labour to implement labour market policies that reduce workers' rights and powers.

**Second Dimension of Power - Power To:** Agenda-setting power is another dimension through which flexibilisation policies redistribute power. These policies can control the parameters of discussion, limiting the scope of topics to those that benefit capital:

**Agenda Setting:** By shaping the public discourse and policy agenda, powerful entities, including corporate interests, can divert attention away from issues that may benefit labour.

For instance, flexibilisation policies that focus on promoting business-friendly regulations and labour market flexibility set the agenda to emphasise capital's interests. This effectively narrows the scope of discussion to topics that are more aligned with capital's objectives, diminishing the power of labour to advocate for its own interests. In essence, the debate has been centred around how to implement flexibilisation policies rather than whether to implement flexibilisation policies.

**Third Dimension of Power - Power In:** Flexibilisation policies can also exert power over labour by influencing their perceptions and beliefs. This thought control aspect of power operates by framing issues and narratives in ways that maintain the status quo:

**Thought Control:** When flexibilisation policies are framed as necessary for economic growth and job creation, they can shape public opinion and prevent conflicts or challenges from emerging. By emphasising narratives that portray flexible labour markets as essential for prosperity, powerful actors, including media outlets influenced by capital, can manipulate the understanding of the issue. This can lead individuals to perceive flexibilisation policies as beneficial, even if they may have negative consequences for workers. In this way, the third face of power operates to prevent conflicts and maintains the existing power dynamics in favour of capital.

In summary, labour market flexibilisation policies represent a manifestation of power dynamics within class relations. These policies redistribute power from labour to capital by influencing decision-making, agenda-setting, and thought control. They can limit the ability of labour to negotiate favourable terms and conditions, shape the agenda to prioritise capital's interests, and manipulate perceptions to maintain the status quo, ultimately reinforcing the power imbalance between labour and capital in the realm of labour market policies.

*3.3.2.2 In what ways do labour market flexibilisation policies redistribute power from labour to capital while transforming groups into series?*

Flexibilisation policies can lead to the serialisation of groups by transforming collective entities into more individualised, segmented, and atomised units. This process can occur through various channels. First, flexibilisation policies often encourage individual employment contracts rather than collective ones. Instead of workers being part of a group or union with collective bargaining power, they negotiate their terms individually. This individualisation breaks down the sense of collective identity and solidarity. In addition, many flexibilisation policies promote the growth of the gig economy and precarious work. In these work arrangements, individuals work independently and are often disconnected from traditional employment structures. Workers become isolated, without a sense of belonging to a larger group. Flexibilisation policies may also limit the influence and scope of labour unions. With fewer protections for workers, unions may struggle to maintain or grow their membership. As a result, the collective bargaining power of unions diminishes, and the sense of group identity weakens. Flexible work arrangements can fragment the workforce, leading to various groups of workers with different contract types and conditions. For example, some workers might be on full-time contracts, while others are on part-time, temporary, or zero-hour contracts. This fragmentation disrupts the cohesiveness of groups. Flexibilisation often promotes competition among workers. When employment is precarious, workers may compete for jobs and contracts, viewing each other as rivals rather than as part of a collective group. Flexibilisation tends to prioritise short-term goals and individual advancement rather than long-term collective interests. Workers may focus on their immediate job security and personal well-being, leading to a lack of concern for broader social or labour issues. Flexibilisation encourages an entrepreneurial mindset, making workers perceive themselves as individual entrepreneurs rather than members of a larger workforce. This individualisation shifts the focus from group solidarity to personal success. The lack of job security and continuous turnover in flexible work arrangements can diminish the development of solidarity among

workers. They may not have the opportunity to build relationships with colleagues, reducing the sense of group identity.

In summary, flexibilisation policies contribute to the serialisation of groups by promoting individualised employment relationships, weakening union influence, fostering job insecurity, and encouraging workers to prioritise individual interests over collective ones. This transformation has implications for workers' ability to collectively advocate for their rights and interests.

### *3.3.2.3 Redistribution of Power towards Managers*

Managers play a pivotal role as agents of capital within the capitalist system (Campling et al., 2016, p. 1756). They are responsible for orchestrating and adapting production processes in response to the growing challenges posed by an increasingly organised and assertive working class (Campling et al., 2016, p. 1756). The flexibilisation of the labour market serves as a prime example of one of the tactics employed by managers and capitalists to shift the balance of power from labour to capital.

In the face of rising working-class struggles and demands for improved labour conditions and rights, managers are tasked with finding ways to maintain or enhance profitability. One of the strategies they employ is the implementation of flexibilisation policies, which are designed to make labour markets more adaptable and responsive to the needs of capital. By introducing greater flexibility in hiring, firing, and labour arrangements, managers can exert greater control over the workforce and mitigate the impact of labour's collective bargaining power.

‘The ability of labouring classes to act collectively in their interests depends on a range of variables, including the global commodity chain that they work within and where they are located within it, dynamics of competitive accumulation and class relations at a number of levels, from the world-historical to the labour process itself’ (Campling et al., 2016, p. 1757).

Empirical observations, particularly through the analysis of available data in France, can shed light on how these variables interact within a particular context. It allows us to assess the extent to which labouring classes are able to effectively mobilise and influence the trajectory of labour market policies. However, a complex dilemma arises for trade unions. While their primary objective may be to secure better material conditions and bargaining power for workers, their actions can inadvertently contribute to the reproduction of capitalist social relations of production.

*'Where the objective of unions is to extract concessions from capital in order to ease material conditions or marginally rework the distribution of power, collective labouring class action can help to reproduce capitalist social relations of production by generating stable conditions for accumulation' (Campling et al., 2016, p. 1757).*

This dynamic underscores the intricate interplay between labour and capital and highlights the multifaceted nature of class struggle within the capitalist system, where labour unions navigate the delicate balance between improving workers' lives and reinforcing the capitalist structure.

#### 3.3.2.4 In practice, how do flexibilisation policies redistribute bargaining power from labour to capital?

Flexibilisation policies often reduce the influence of collective bargaining, making it more challenging for workers to negotiate collectively for better wages and working conditions. For example, they might limit the scope of collective bargaining agreements, decentralise bargaining to the firm level, or impose stricter requirements for union recognition. This weakens the bargaining position of workers, as individual employees have less leverage when negotiating with employers compared to organised groups. Note that we differentiate weakening collective bargaining to low collective bargaining



coverage. Indeed, this is because high collective bargaining coverage does not necessarily mean workers have power at the negotiation table.

Decentralising bargaining to the firm or workplace level has the potential to dilute the bargaining power of unions and workers by fragmenting negotiations. As negotiations often occur at the firm or workplace level rather than industry-wide or sector-wide. This fragmentation can lead to smaller and less powerful bargaining units, making it more challenging for workers to exert leverage over employers, especially in smaller companies. Smaller bargaining units may have fewer resources, such as experienced negotiators and financial resources, to effectively engage in negotiations with employers. This can put workers at a disadvantage during bargaining sessions. In decentralised bargaining, workers may have limited access to information about industry standards, wage levels, and labour practices. This lack of information can hinder their ability to make informed demands and negotiate favourable terms. Centralised bargaining often promotes solidarity among workers within an industry or sector. When bargaining is decentralised, this sense of unity can diminish, making it harder to coordinate collective actions like strikes or work stoppages, which are critical tools for workers to exert pressure on employers. Decentralised bargaining can empower individual employers by allowing them to negotiate separately with their employees. This individualised approach can give employers more leverage in negotiations, as they can tailor offers and concessions to specific workplace conditions. Decentralisation may result in differing agreements and conditions among workers in various firms within the same sector. This can lead to unequal treatment and working conditions for employees in different companies, potentially fostering division among workers. Centralised bargaining often sets industry or sector-wide standards for wages, benefits, and working conditions. Decentralisation can lead to a race to the bottom, with some employers offering lower standards to undercut competitors. This can result in a gradual erosion of labour standards. In centralised bargaining, unions and workers can collectively pressure employers and industries to adhere to common standards. Decentralisation can weaken this industry-wide solidarity, making it more challenging to address common issues, such as safety regulations or wage increases, that benefit

all workers. Decentralised bargaining may make it difficult to achieve comprehensive agreements that address multiple aspects of employment, including wages, benefits, working conditions, and job security. This can leave workers with incomplete or unsatisfactory agreements. Decentralisation can lead to variations in union membership levels across different firms and industries. Some companies may have strong unions, while others may have weak or non-existent representation. This can result in disparities in workers' ability to collectively advocate for their interests. Smaller unions or local branches may struggle to negotiate effectively in decentralised bargaining, especially if they lack the resources and membership size of larger unions. This can lead to less favourable outcomes for workers in smaller bargaining units.

Overall, the decentralisation of collective bargaining can create challenges for workers in terms of coordination, resources, and bargaining power. It may result in fragmented and unequal labour relations, potentially leading to disparities in wages and working conditions among employees in different firms and industries.

Even when collective bargaining coverage is high, workers may still have limited power at the negotiation table. In some cases, employers may hold significantly more power and resources than the trade unions or workers they negotiate with. This power imbalance can result in negotiations that favour employers' interests. The strength and unity of the union representing the workers play a crucial role. Weak or divided unions may struggle to negotiate effectively or mobilise their members. Economic conditions, labour market dynamics, and political climate can impact the bargaining power of workers. In times of economic recession, for example, workers may have less leverage in negotiations.

It is essential to consider both aspects because they interact and can have a substantial impact on workers' ability to secure favourable terms and conditions. High collective bargaining coverage alone does not guarantee that workers have the power to shape their working conditions, while weakening

collective bargaining policies further erode their ability to do so. Therefore, a comprehensive analysis of labour relations should examine both the extent of coverage and the actual power dynamics within the collective bargaining process.

Flexibilisation policies may also involve the erosion of labour rights and protections, such as restrictions on the right to strike, limitations on collective action, or the removal of employment security provisions. When workers have fewer legal protections and rights, they are less able to challenge exploitative practices or unfair treatment by employers. This shift in power dynamics favours employers and capital.

Flexibilisation often involves an increase in precarious employment, such as temporary contracts, part-time work, or gig economy jobs. Precarious workers typically have less job security and fewer employment benefits. This makes them more vulnerable to exploitation and less likely to demand better working conditions or higher wages. Employers can easily hire and fire precarious workers, giving them more control over the labour force.

Labour market flexibilisation policies may aim to reduce the influence of trade unions. This can be achieved through legal restrictions on union activities, limiting the ability of unions to strike or engage in collective action, or making it more challenging for unions to organise and recruit members. With weaker unions, workers have less collective power to challenge employers and demand improvements in their working conditions.

Some flexibilisation policies encourage the use of individual employment contracts instead of collective agreements. Individual contracts can be tailored to the employer's advantage and may include terms and conditions that favour the employer over the worker. This individualisation of employment agreements weakens workers' ability to collectively negotiate for better terms and creates a power imbalance in favour of employers.

Flexibilisation policies often involve the deregulation of labour markets, reducing government oversight and intervention. While proponents argue that this fosters a more business-friendly environment, critics contend that it can lead to a race to the bottom, with employers competing to lower labour costs and reduce worker protections. This deregulation further tilts the balance of power towards capital.

Overall, labour market flexibilisation policies reshape the employment landscape in ways that enhance the bargaining power of employers and capital while diminishing the collective power of workers. This redistribution of power can result in greater inequality and reduced job security for workers, as well as challenges in addressing workplace exploitation and unfair labour practices.

### 3.4 Labour Market Flexibilisation Policies in France

The tumultuous events of the 1968 protests and the subsequent profitability crisis triggered significant transformations in socio-political and economic landscapes, laying the groundwork for the introduction of neoliberal policies. This section will explore how these events led to reorganisation, new forms of specialisation, and changes in institutions, ultimately facilitating the rise of neoliberalism. Additionally, it will draw parallels between these developments and Jean-Paul Sartre's concept of new rules emerging after a capitalist crisis.

The year 1968 marked a period of widespread social unrest and protest movements across France. The protests encompassed a wide range of issues, from civil rights and anti-war sentiments to labour rights and demands for social justice. The cumulative impact of these protests challenged existing power structures. Simultaneously, the profitability crisis, characterised by declining profit rates for capitalist enterprises, created a sense of urgency among economic elites and policymakers. This crisis prompted a reassessment of economic policies and practices, leading to a search for new strategies to restore profitability. The assertion that these events led to reorganisation is well-founded. The protests of 1968 and the ensuing profitability crisis spurred a re-evaluation of existing economic and

political frameworks. Governments and economic elites sought ways to adapt to the changing landscape. One of the key transformations was the shift from the welfare state model to neoliberalism (Standing, 1999, p. 75). This shift involved reducing government intervention in the economy, deregulating markets, and promoting free-market capitalism. The concept of new specialisation is also relevant in this context. As capitalist economies faced challenges, they began to reconfigure their specialisation in terms of economic activities. The neoliberal era witnessed a growing emphasis on finance, services, and technology-related sectors (Standing, 1999, p. 75). This shift was aimed at capitalising on emerging opportunities and responding to changing global economic dynamics.

Moreover, changes in institutions played a pivotal role in paving the way for neoliberalism. Institutional reforms and policy changes were implemented to align economic structures with neoliberal principles. For example, privatisation initiatives, trade liberalisation, and fiscal policies that favoured market-oriented approaches gained prominence. These changes in institutions were instrumental in reshaping the economic landscape. Jean-Paul Sartre's notion of new rules emerging after a capitalist crisis aligns with this narrative. Sartre's framework acknowledges that crises compel societies and institutions to adapt and develop new rules and structures (Sartre, 1960). In the context of the profitability crisis and the protests of 1968, it becomes evident that these events catalysed the emergence of new rules, policies, and economic paradigms. The concept of new rules emerging after a capitalist crisis, as proposed by Sartre, resonates with the dynamic changes that unfolded during this period. These developments highlight the intricate relationship between socio-political events and economic paradigms, underscoring the significance of historical context in understanding the rise of neoliberalism.

### 3.4.1 What forms did Labour Market Flexibilisation Policies take in the French Context

France adopted peculiar flexibilisation policies by combining high collective bargaining coverage and low union density. The combination of high collective bargaining coverage and low union density in

France represents a unique approach to labour market flexibilisation policies. This approach creates a distinct labour market environment that has specific implications for workers, employers, and the broader economy.

In France, a significant portion of the workforce falls under collective bargaining agreements. These agreements are often negotiated between workers and managers, covering various aspects of employment conditions, such as wages, working hours, and job security. The high collective bargaining coverage means that a substantial number of workers have their working conditions determined through these negotiated agreements. Despite the extensive collective bargaining coverage, France has relatively low union density, which means a smaller percentage of workers are union members. Low union density implies that not all workers are directly represented by trade unions. This situation may lead to weaker collective bargaining power for unions compared to countries with higher union density.

In a labour market with high collective bargaining coverage and low union density, workers' experiences can vary widely. Those covered by collective agreements that have been negotiated by trained trade unionist might benefit from better working conditions, pay and job protection, compared to those agreements that are negotiated by workers who have not been trained in negotiations. This combination also allows for increased flexibility for the employer while still retaining some collective bargaining power. Employers may have the flexibility to adapt to changing economic conditions, but within the constraints of negotiated agreements.

The balance of power between workers and employers can be complex. Workers covered by collective agreements may have certain protections, but unions may have limited influence due to low membership. This dynamic may result in a balance where employers maintain a level of control. For unions, this scenario presents both challenges and opportunities. While they have a role in negotiating collective agreements, they may face difficulties in increasing their membership and mobilising non-unionised workers. The combination of high collective bargaining and low union density can impact

economic and social outcomes. It can influence factors like job security, wage growth, and the ability of businesses to adapt to changing market conditions. The effectiveness of this combination depends on the broader national context, including labour laws, government policies, and economic factors. The specific socio-historical factors that paved the way for this policy will be analysed in the next chapter.

In summary, France's approach to labour market flexibilisation through high collective bargaining coverage and low union density creates a distinctive environment in which workers' experiences, bargaining power, and labour market dynamics are influenced by this unique combination. It reflects the country's historical and institutional context and has implications for various aspects of labour relations and the broader economy.

#### *3.4.1.1 Flexibilisation policies – rewriting the rules of capitalism*

Sartre's theoretical framework offers valuable insights into understanding the concept of flexibilisation and its role in potentially reverting individuals or groups who have achieved praxis, either individually or collectively, back to a state of inertia or seriality. Flexibilisation, as a strategy, can be employed to alter the rules governing labour relations, particularly in response to economic crises such as the profitability crisis of the 1970s. This transformation of rules can result in what might be perceived as a movement towards deregulation.

An interesting case study can be found in France, where changes in labour regulations occurred following the profitability crisis. These changes included an apparent increase in the coverage of collective bargaining. From the perspective of mainstream economics, this might be interpreted as an increase in regulation. However, Sartre's framework encourages us to delve deeper into the implications of these changes. Despite the appearance of increased regulation, the simultaneous

decrease in union density is a crucial factor to consider. This combination of factors can be seen as a strategic move by capitalists to facilitate and maintain conditions conducive to exploitation. While collective bargaining may have a broader coverage, the reduced presence and influence of unions weaken the ability of workers to collectively assert their interests and engage in effective praxis.

In this context, flexibilisation can be understood as a mechanism employed by capitalists to reshape the landscape of class struggle. By altering the rules and structures, they can disrupt the cohesion and solidarity among workers, thereby hindering their ability to achieve meaningful collective action. This illustrates how changes in regulations and labour practices can be deceptive, as they may serve the interests of capital by fragmenting the working class. Flexibilisation, as a tool of capitalist strategy, underscores the ongoing struggle between seriality, institutions, and groups within the context of class conflict. Therefore, Sartre's theoretical perspective provides a valuable lens through which to examine the complexities of flexibilisation and its impact on class dynamics in contemporary capitalism. It encourages a deeper exploration of how changes in rules and regulations can influence the praxis of individuals and groups within the working class, ultimately shaping the trajectory of class struggle (Féron, 2015).

#### *3.4.1.2 In what ways can the coupling of high collective Bargaining coverage and low union density can be seen as a flexibilisation policy?*

The combination of high collective bargaining and low union density serialises labour, redistributes power from labour to capital and increases the rate of capital accumulation.

The high collective bargaining coverage, accompanied with the decentralisation of collective bargaining may provide a degree of job security and certain benefits to certain workers. It also means a lot more of collective agreements are being signed, and workers often do not know which collective agreements they fall under. As collective bargaining is increased, workers within the same office may fall under a multitude of different collective bargaining agreements. This makes it harder for workers



to unite together, but also to know their rights. Because union density is low, this means that unions often do not have sufficient resources to help workers. This division can lead to a more fragmented labour force, with differences in working conditions and job security. In essence, it serialises labour by creating different categories of workers, some with stronger collective protections and others with fewer safeguards.

The combination of high collective bargaining coverage, decentralisation of collective bargaining, and low union density in France can serialise workers through different channels. This configuration can offer a degree of job security and certain benefits to specific groups of workers. Workers covered by strong collective agreements may enjoy more stability in their employment and access to better conditions and benefits. However, as a higher number of collective agreements are being signed. This proliferation can lead to confusion among workers who may not be sure which specific collective agreement governs their employment. The decentralisation of bargaining means that workers within the same organisation, industry or workplace may fall under a multitude of different agreements, each with its own terms and conditions. The existence of numerous collective agreements can make it more challenging for workers to unite and advocate for their common interests. Since workers may have different sets of rights and conditions based on their respective agreements, finding common ground for collective action becomes complex. This can weaken collective bargaining power and solidarity among workers. Workers may struggle to fully understand their rights, entitlements, and obligations under the specific collective agreement that applies to them. This lack of awareness can hinder their ability to assert their rights effectively and make informed decisions about their employment. Low union density means that unions often lack the resources and capacity to assist workers comprehensively. Unions may face challenges in providing support, guidance, and representation to workers navigating the complexities of the decentralised collective bargaining landscape. The combination of these factors can lead to a fragmented labour force with varying working conditions, job security, and benefits. Some workers may have stronger collective protections, while others have fewer safeguards. This fragmentation can result in disparities among workers within the same

organisation, contributing to labour serialisation. In essence, the high collective bargaining coverage, along with decentralisation and low union density, creates a multifaceted environment where some workers benefit from collective agreements, while others may face challenges related to awareness of their rights and difficulties in collective action. This division can indeed lead to a more fragmented labour force, characterised by differences in worker protections and conditions.

High collective bargaining coverage theoretically provides workers with collective negotiation power. When a substantial portion of the workforce is covered by collective agreements, it implies that many workers can, in principle, participate in negotiations over their working conditions and benefits. Low union density, however, limits the actual influence of labour unions in representing workers. With a smaller proportion of workers belonging to unions, these organisations may not have the strength or resources to effectively advocate for the interests of the entire workforce. The result is a situation where negotiations often become unilateral. In practice, untrained workers may find themselves negotiating directly at the firm level with mid-level managers who lack the authority to make significant concessions regarding pay or working conditions. This can lead to ineffective negotiations and hinder the ability of workers to secure favourable terms. Employers, benefiting from the lack of unified labour representation, may have more autonomy in determining employment terms. They can set conditions that are in their favour, which can include keeping labour costs low, reducing benefits, or imposing less favourable working conditions. The outcome of this dynamic is a clear shift of power from labour to capital. Employers and capital gain greater control over labour-related decisions, including wages, benefits, and working conditions. This redistribution of power ultimately favours employers and the interests of capital.

The high collective bargaining coverage combined with low union density creates a situation where the potential for collective negotiation exists, but the practical influence of unions is limited. This results in unilateral negotiations, giving employers more control and autonomy in determining employment terms. The net effect is a shift of power from labour to capital, favouring the latter in

labour market dynamics. The increase in collective bargaining coverage and decrease in union density can contribute to an environment conducive to increased capital accumulation. Employers may have greater control over labour costs, working conditions, and workforce flexibility. This, in turn, can enhance their ability to allocate resources toward investment, expansion, and technological advancements. As a result, capital accumulation may accelerate, while the interests of workers, especially those not covered by collective agreements, may be less prioritised.

The increase in collective bargaining coverage coupled with the decrease in union density can indeed create an environment conducive to increased capital accumulation. As more workers are covered by collective agreements, employers may have a better ability to control and minimise labour costs. These agreements can, in some cases, set limits on wages, working hours, or other benefits, which benefit employers by keeping labour expenses in check. A higher degree of collective agreements may also grant employers more flexibility in managing their workforce. This can include provisions for temporary or part-time employment, which allows for the adjustment of labour resources based on demand. Such flexibility can be cost-saving and increase profit margins. With more control over labour costs and greater workforce flexibility, employers can allocate more resources toward capital investment. This may include investments in machinery, technology, research and development, or expansion into new markets. These investments can increase productivity and profitability. As power is shifting from workers to employers and capital, employers have more control over employment terms and can dictate the conditions that are most favourable to their interests.

The cumulative effect of these factors is the acceleration of capital accumulation. As employers have greater control and autonomy over their workforce and labour-related decisions, they can optimise their operations for profitability and investment. This enhances capital accumulation, as more resources can be directed toward wealth generation and business growth. In this context, the interaction of high collective bargaining and low union density creates a labour market environment where labour is serialised, power tilts in favour of capital, and capital accumulation gains momentum.

This unique combination reflects the complexities of labour relations and economic outcomes in France.

*3.4.1.3 Using Luke's Power Framework, in what ways does the coupling of high collective bargaining coverage and low union density redistribute power from labour to capital?*

The coupling of high collective bargaining coverage and low union density within the labour market can be analysed using the Power Framework, focusing on the dimensions of power over, power to, and power in to understand how it redistributes power from labour to capital.

**First Dimension of Power - Power Over:** High collective bargaining coverage combined with low union density can redistribute power over decision-making in favour of capital.

**Coercive Power Over:** In situations where unions have low density, they have limited bargaining power due to their reduced ability to mobilise workers and negotiate collectively. High collective bargaining coverage may not translate into favourable outcomes for workers if unions are weak or fragmented. Capital, represented by employers or corporations, can exploit this weakness to impose employment conditions that are more favourable to their interests. This coercion limits the ability of workers to influence the decision-making process regarding their employment terms and conditions.

**Second Dimension of Power - Power To:** The coupling of high collective bargaining coverage and low union density can also impact the power to set the agenda within the labour market:

**Agenda Setting:** When unions have low density despite collective bargaining coverage, their influence in shaping the policy agenda diminishes. Capital can dominate the agenda-setting process by promoting policies that align with their interests, such as deregulation or reductions in workers' rights. This limits the scope of topics under consideration and

effectively directs attention away from issues that may be beneficial to labour. As a result, the power to shape the agenda shifts towards capital, reducing the influence of labour.

**Third Dimension of Power - Power In:** Low union density, despite collective bargaining coverage, can have an impact on the power to influence perceptions and beliefs:

**Thought Control:** The presence of high collective bargaining coverage may create an illusion of worker empowerment, but if union density is low, the power to shape perceptions and beliefs can remain with capital. This scenario allows capital to frame narratives that portray the existing labour relations as equitable and fair, even if they favour capital's interests. Workers may perceive their situation as satisfactory due to the presence of collective bargaining, despite the limitations imposed by low union density. This thought control prevents conflicts from emerging and maintains the status quo, reinforcing the existing power dynamics in favour of capital.

In summary, the coupling of high collective bargaining coverage and low union density within the labour market has the potential to redistribute power from labour to capital across the three dimensions of power. It limits workers' ability to influence decision-making, allows capital to set the agenda, and influences perceptions to maintain the existing power imbalance in favour of capital. While collective bargaining coverage may exist, the absence of strong unions can result in limited worker empowerment, ultimately benefiting capital's interests in labour market policies.

### 3.5 Conclusion

In conclusion, this chapter has meticulously navigated the multifaceted terrain of flexibilisation policies in the labour market through a Marxist lens, illuminating the complex interplay between class relations, power dynamics, and capital accumulation. The theoretical framework, rooted in Marxist theory and enriched by insights from scholars like Campling et al., Wright, and Sartre, has enabled a comprehensive exploration of class dynamics in the French context.

Central to this framework has been the examination of the various manifestations of power within class relations, as conceptualised by Lukes. This analysis has underscored the dynamic and multidimensional nature of power, extending beyond mere domination to encompass a nuanced understanding of influence, control, and the interplay between different agents within the capitalist structure. Furthermore, the role of trade unions, as outlined by Lévesque and Murray, has been pivotal in understanding the empowerment of workers within these relations. The identification of key power resources and union capabilities has highlighted the critical role trade unions play in navigating the complexities of class relations and advancing workers' interests. In addition, the examination of bargaining power, particularly through Silver's lens of spatial, technological, product, and financial fixes, has offered valuable insights into the evolving landscape of the working class under global capitalism. This analysis has been crucial in understanding the contemporary challenges and opportunities facing workers in their struggle for improved conditions and rights.

The exploration of labour market flexibilisation policies within the French context reveals a distinctive approach, characterised by high collective bargaining coverage coupled with low union density. The following chapter will delve into the ways that flexibilisation policies in France have been instrumental in transforming the dynamics of the labour market. By promoting individualised employment contracts and decentralising collective bargaining, these policies have contributed to the serialisation of labour, thereby weakening collective action and solidarity among workers. This transformation has facilitated a shift in power dynamics, redistributing power from labour to capital and enabling capital to exert greater control over labour conditions and terms of employment. These policies, while ostensibly aimed at adapting to changing socio-economic landscapes, have also contributed to the fragmentation of the working class, leading to intra-class inequalities and diminishing the power of labour unions. The high collective bargaining coverage, although providing a degree of protection to certain workers, is undermined by the low union density, limiting the collective bargaining power and weakening the influence of unions in representing workers' interests.

In summary, the analysis of labour market flexibilisation policies in France, through the lens of Marxist political economy, underscores the ongoing struggle between capital and labour, revealing the strategic mechanisms employed by capital to maintain and enhance its dominance in the face of evolving class consciousness and resistance. This inquiry not only enhances our understanding of the specificities of the French context but also contributes to the broader discourse on the dynamics of labour market policies within capitalist societies.

## 4 Peculiar Flexibilisation Policies in France: A Socio-Historical Analysis of High Collective Bargaining and Low Union Density

In France, the rise of collective bargaining coverage and the lowering of union density can be attributed to a complex interplay of socio-historical factors. This section aims to provide an analysis of these factors, primarily from a Marxist Political Economy perspective, shedding light on the dynamics that have shaped the French labour market. Flexibilisation policies emerged as a response to the profitability crisis of the 1970s and the challenges to traditional capitalism. They aimed to reshape capitalism in light of growing workers' class consciousness, exemplified by events like the May 1968 protests in France. The process of labour market flexibilisation involves dynamic interactions with various factors. These policies were rooted in the need to adapt to evolving social and economic landscapes, driven by workers demanding better conditions and rights. They were a strategy to protect capitalist interests in the face of united workers.

The implementation of flexibilisation policies varies among countries; this section delves into France's unique approach with the adoption of high collective bargaining coverage and low union density. This chapter sets out a socio-historical analysis that aims to answer the following questions: What were the unique flexibilisation policies implemented in France, and why? First, this chapter will look into the peculiarities of the French labour market and layout some stylised facts, then we will look into the socio-historical factors that led up to the 1970s to understand the development of French industrial relations. Finally, we will analyse the changes of both trade unions and collective bargaining in France during the neoliberal era.

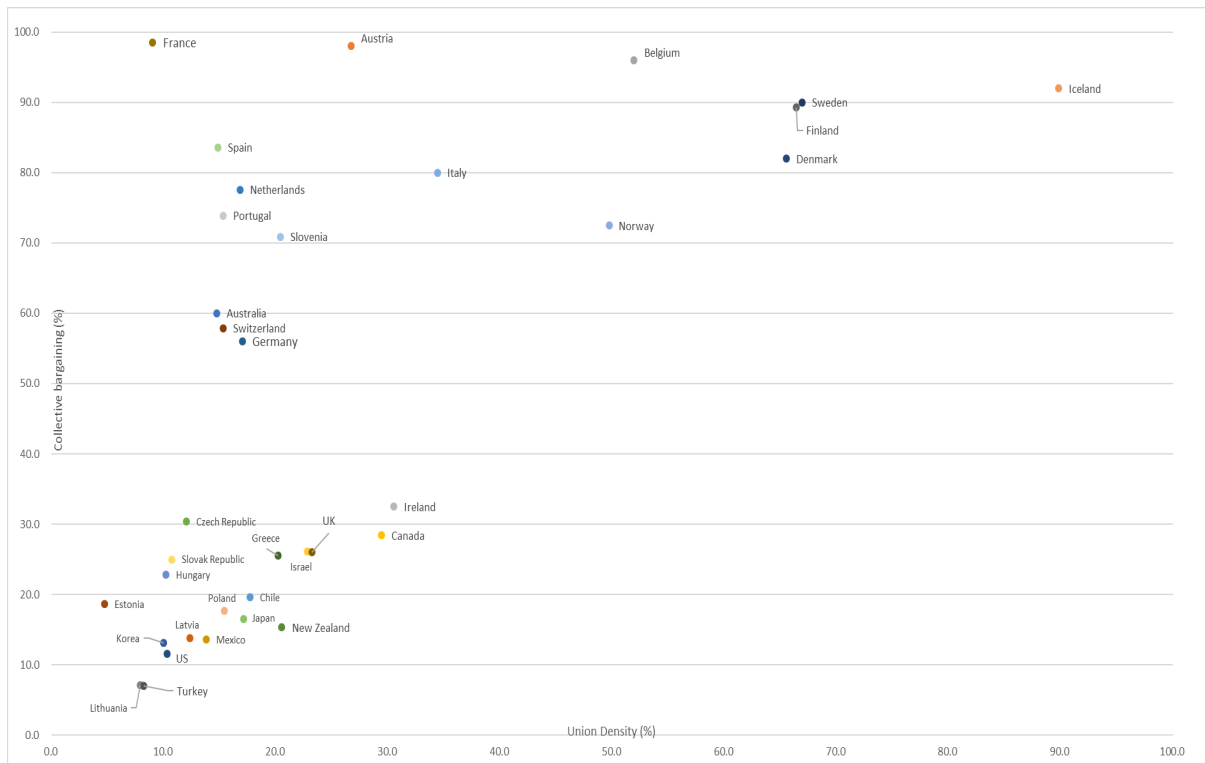


## 4.1 Background

### 4.1.1 Stylised Facts

Figure 4.1 below highlights a peculiarity of the French labour market. France is one of the OECD countries with the lowest union density and widest coverage of collective bargaining. Union density refers to the proportion of workers who are union members. In the case of France, the graph indicates that it has one of the lowest union density rates among OECD countries. Only Estonia and Turkey have slightly lower union density rates. This suggests that a relatively small percentage of the French workforce are union members. Collective bargaining coverage refers to the proportion of workers who are covered by collective agreements. The graph shows that France has one of the highest levels of collective bargaining coverage among OECD countries. This means that a large proportion of French workers, despite having low union density, are still covered by collective bargaining agreements

Figure 4.1: Collective bargaining and union density for all OECD countries



Source: OECD<sup>11</sup>

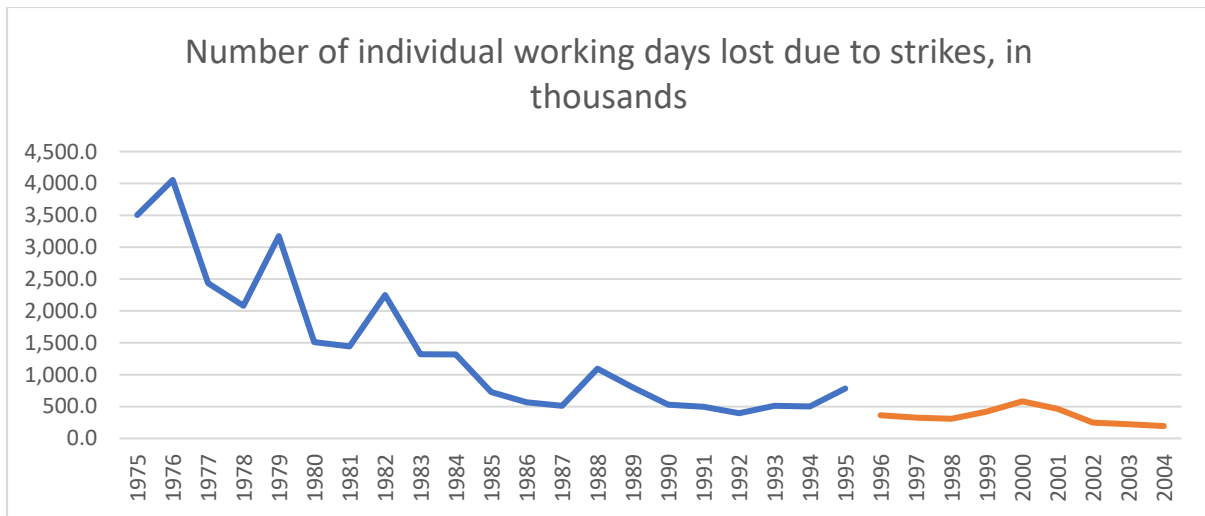
Figure 4.1 shows that the Nordic countries have the highest levels of union density, however unions are linked with social insurance in the Nordic countries which means their high union density does not necessarily reflect a commitment towards union membership as such (Connolly, 2012, p:119). The gap in union density between France and other countries can also be explained by the fact that France traditionally has an active membership base while other countries have a lot of more passive members (Gumbrell-McCormick and Hyman, 2013, p. 6). This further highlights the limitations of the union density statistics as an indicator of union strength but also as an indicator of workers involvements in bettering their material conditions (Gumbrell-McCormick and Hyman, 2013, p. 6). Similarly, note that collective bargaining data does not reflect labour’s and unions bargaining power effectively.

<sup>11</sup> Note: Matching yearly data for union density and collective bargaining, the data is mainly collected for 2016. Except for Austria, Belgium, Japan, Luxembourg, The Netherlands, the UK and the US for which the data is collected for 2017. The data for Canada, Estonia, Finland, and Lithuania is collected for 2015. The data for France, Hungary and Norway is collected for 2014. The data for Israel and Poland is collected for 2012. The data for New Zealand is collected for 2011 and the data for Mexico collected for 2010. Finally, due to the lack of data, the collective bargaining data for Australia was collected for 2016 while the union density data was collected for 2017. For Ireland, the collective bargaining data was collected for 2014 while the trade union data was collected for 2013. Union density is based on administrative data from trade unions, except for the USA for which only survey data is available. Collective bargaining is the proportion of total employees with the right to bargain

It is essential to recognise the limitations of using union density and collective bargaining data as indicators of union strength and labour bargaining power. These figures provide a snapshot of quantitative aspects but do not fully reflect the qualitative dynamics and effectiveness of unions and collective bargaining processes.

In 1982, the *Auroux laws* - a series of labour market reforms - were implemented. The most important one allowed for firm-level negotiation, which can be interpreted as a response to May 68 and an attempt to reduce the amount of strikes. Figure 5.1 (highlights the decline in union density after the 1980s, the *Auroux laws* certainly contributed to the decline in union density as workers are now represented in collective bargaining at the firm-level without having to join a union. This was accompanied by a broadening in the coverage of collective bargaining as highlighted in Figure 2.4 as employees can now bargain at firm-level without the presence of a union. Despite a lack of space for development, collective bargaining has gained significance in France since the 1980s(Andolfatto and Labbé, 2006,p.6). A growing proportion of employees and companies are covered by branch-level agreements, with almost all employees in establishments with more than ten employees being covered(Andolfatto and Labbé, 2006,p.6). At the enterprise level, the number of employees covered by agreements has also increased, particularly in areas such as working hours, wages, training, union rights, and, more recently, profit-sharing and employee savings plans(Andolfatto and Labbé, 2006,p.6).

Figure 4.2: Number of individual working days lost due to strikes, in thousands



Source: DARES (2019)

Scope: all sectors except agriculture and public service; Metropolitan France<sup>12</sup>

Indeed, when we look at strike data, we get a whole other story. Figure 4.2 below highlights the number of working days lost due to industrial disputes in France. This trend reflects a weakening of conflict and its shift has been accompanied by a parallel development of collective bargaining through professional sectors throughout the 20th century (Tixier, 2007, p. 106).

In the traditional union action repertoire in France, concerted work stoppages used to play a central role (Andolfatto and Labbé, 2006, p.4). The sequence of strike-demands-negotiations was a defining feature of industrial relations (Andolfatto and Labbé, 2006, p.4). However, the number and scale of strikes have been steadily declining since the 1960s and 1970s (Andolfatto and Labbé, 2006, p.5). While there have been occasional disruptions in this trend, the overall pattern is a decline in industrial

<sup>12</sup> Since 2005, the annual survey on Work Activity and Employment Conditions (Acemo) on social dialogue in companies (Acemo-DSE), from Dares. Before 2005, the data came from the census of the labour inspection and the departmental and regional labour directorates. Since 2005, the data cover, as for the period 1975-1995, the public transport sector companies (SNCF, RATP, Air France, etc.). However, they are not comparable due to the change of source: before 1995, the indicator was in thousands of days; since 2005, the indicator is the number of days for 1000 employees in employment. Between 1995 and 2005, the indicator is in thousands of days excluding public transport sector companies.

conflict <sup>13</sup>(Andolfatto and Labbé, 2006,p.5). This decline has occurred alongside the growth of collective negotiation at all levels of industrial relations(Andolfatto and Labbé, 2006,p.5).

#### 4.1.2 History of Industrial Relations in France

The history of collective bargaining coverage and union density in France is deeply rooted in the nation's socio-historical context, characterised by pivotal periods that have left a lasting impact. To comprehend the evolution of these dynamics, it is essential to examine the historical foundations, dating back to the French Revolution, and subsequent legislative milestones. From the revolutionary principles of individual liberty to the legal recognition of trade unions, each historical juncture has shaped the trajectory of collective bargaining and labour relations in France. This historical perspective provides a crucial backdrop for understanding the contemporary challenges in the realm of flexibilisation policies and their implications on the French labour market.

##### 4.1.2.1 *The Emergence of Labour Rights*

The Allarde Decrees, issued on March 2 and 17, 1791, established the principle of freedom of work("Chronologie," 2020). This principle states that every individual is free to work wherever they choose, and every employer is free to hire whomever they wish. The terms of the employment contract are freely determined by the involved parties. This marked a significant shift in labour laws, emphasising individual liberty and contractual freedom. It essentially abolished the old system of guilds, allowing for a more open and competitive labour market. This was a revolutionary concept at the time, reflecting the liberal ideas of the French Revolution. It laid the foundation for modern labour laws and practices, where the rights and obligations of both employers and employees are defined by

---

<sup>13</sup> 1982 and 1999-2000 in the private sector, focusing on reducing working hours, and the years 1995 and 2003 in the public sector, particularly related to opposition against the "Plan Juppé" and the reform of retirement policies.

mutually agreed contracts. This principle is still one of the general principles of French law, based on the notion of liberty. It allows anyone to freely choose and exercise a profession, subject to some regulations and declarations. The principle also implies that the state and public authorities do not interfere with the market or distort the competition, unless there is a public interest justification ("Chronologie," 2020).

The Le Chapelier Laws, enacted on May 22 and June 14, 1791, during the French Revolution, prohibited trade guilds and strikes. The laws were designed to prevent workers from forming coalitions or associations based on their economic interests. They were seen as a move towards individual liberty and free enterprise, marking a departure from the collective guild system.

The "Conseils de Prud'hommes" were established on March 18, 1806, under Napoleon I. This institution was created to resolve disputes related to work. However, workers were not admitted to this council ("Chronologie," 2020). The first "Conseil de Prud'hommes" was set up in Lyon, France ("Chronologie," 2020). This marked a significant development in labour law, providing a formal mechanism for resolving conflicts between employers and employees. Over time, the "Conseils de Prud'hommes" have evolved and continue to play a crucial role in labour relations today.

On May 25, 1864, a law was enacted in France that authorised coalitions, effectively legalising strikes. This law, known as the Ollivier Law, was a significant milestone in labour rights. It marked a shift from the previous restrictions under the Le Chapelier Law of 1791, which had prohibited workers' coalitions. The new law recognised the right to strike, provided it did not involve any obstruction to others' work or any form of violence. This was a major step towards the establishment of modern labour laws and practices, where workers have the right to collective action to advocate for their interests.

The creation of Trade Unions in France was allowed by the 1884 *Waldeck-Rousseau law*. Coming about a decade after the Paris Commune, Waldeck-Rousseau put this law forward as a way to contain

revolutionary ideas and appease the labouring class. It was a way to temper social conflict and aimed at making unions an instrument of social regulation (Stéphane Sirot in Drévilion, 2014). This was a significant milestone in French labour law, as it recognised the right of workers to organise and advocate for their interests collectively. The law set the foundation for the development of labour movements and the evolution of workers' rights in France.

France has a deep-rooted history of labour movements dating back to the late 19th century, where trade unions played a pivotal role in advancing workers' rights and improving labour conditions. These early efforts set the stage for the emergence of robust trade unions and the establishment of a tradition of collective bargaining. During this era, these developments were instrumental in securing concessions and social reforms for workers.

In 1874, the French government established the "Inspection du Travail," an institution entrusted with the enforcement of social laws and the protection of workers' rights, which still exists today.

A significant milestone occurred with the signing of the Convention d'Arras on November 29, 1891, marking the first collective agreement in France. This agreement, which came from the aftermath of a strike and negotiations between miners' unions and coal companies in northern France, played a crucial role in shaping labour rights. It set a precedent for future labour negotiations and significantly influenced labour laws and practices in France.

In October 1906, the "Charter of Amiens" was adopted at the 9th Congress of the Confédération générale du travail (CGT), a prominent French trade union. The charter introduced a notable shift in the labour movement, emphasising the autonomy of trade unions from political organisations. It acknowledged the class struggle between workers and capitalists and outlined the dual objectives of unionism: defending workers' immediate interests and advocating for a transformative societal change through capitalist expropriation. The charter also endorsed the independence of unions from political parties and the state, promoting the use of the general strike as a means of action.

The French Labour Code, established on December 28, 1910, provided a comprehensive framework for both individual and collective labour relations between employers and employees. It delineated the rights and responsibilities of individuals, trade unions, and companies. Over the years, the code underwent multiple reforms to adapt to evolving social, economic, and political contexts. Known for its robust employee protections, the code made it more challenging for employers to terminate employees compared to many other countries. It marked a significant milestone in the history of labour laws in France, formalising the rules and regulations governing work and labour relations in the country.

The law of March 25, 1919 is another pivotal moment in French labour law history, offering more official recognition to collective agreements.

#### *4.1.2.2 From the Popular Front to May 68*

The period from 1936 to 1968 was a transformative chapter in French labour history, shaped by World War II, social movements, and political regimes. During this time frame, significant milestones were achieved in labour rights and collective bargaining, which collectively enhanced the position of workers in France. The victory of the Popular Front in 1936 ushered in the Matignon agreements, which introduced key labour reforms, including the establishment of a 40-hour workweek, paid holidays, and collective bargaining rights. This period witnessed a substantial surge in the scope of collective bargaining. Between July 1936 and December 1937, an impressive total of 5,000 agreements were signed (Tixier, 2007, p. 106).

The origins of Délégués du personnel in France can be traced back to the enactment of the June 24, 1936 law, marking a pivotal milestone in worker representation. Often referred to as DPs, Délégués du personnel play the role of worker representatives in establishments with more than ten employees. Their historical roots can be found in the appointment of safety delegates for mine workers, a practice instituted by the July 8, 1890 law.



The June 24, 1936 law reaffirms the contractual basis of collective agreements while elevating them to the status of more stringent professional laws. This transformation imbues collective agreements with the character of legally binding frameworks governing employment within specific professions.

Of particular significance is the introduction of the extension procedure, which allows agreements negotiated by the most influential trade union organisations to be applied to the entirety of a given profession. In practical terms, the collective agreement is mandated to include a set of obligatory clauses addressing fundamental aspects of employment relationships, covering crucial elements of the work arrangement. The extension procedure, as delineated in the law, empowers the Minister of Labour to extend a collective agreement to encompass all businesses within the same industry or sector. The precondition for such an extension is the endorsement of the agreement by the most representative trade unions, designed to ensure consistent treatment for employees and prevent unfair competition among companies.

Furthermore, collective agreements exhibit the flexibility to address non-mandatory issues, provided that these supplementary clauses confer greater advantages upon workers in comparison to the stipulations outlined in existing laws and regulations. This practice underpins what is commonly referred to as the principle of favourability. Essentially, the principle of favourability allows collective agreements to surpass legal minimums. As will be discussed in greater detail later, the principle of favourability can at times provide capitalists with opportunities to secure concessions from workers. The contractual principle, as endorsed by the law, underscores that collective agreements essentially constitute contracts between trade unions and employers, establishing working conditions and compensation for employees within specific industries or sectors. The introduction of the concept of professional law by this legislation serves to reinforce the mandatory nature of collective agreements. These agreements are binding on both employers and employees within their purview. While these agreements must conform to existing laws and regulations, they also have the latitude to augment or enhance them, offering potential improvements in the terms and conditions of employment.

However, the Vichy regime dissolved the trade unions and imposed the Charter of Labour in 1940, leading to a decrease in union density. The Resistance and the Liberation restored the trade union freedoms and created the social security system in 1944-1945, leading to a resurgence in collective bargaining coverage. In 1940, after the armistice was signed by Pétain, the government published a law prohibiting trade union confederations and Belin signed a decree dissolving the CGT, CFTC, and the French General Confederation of Employers. On November 15, 1940, as France was under German occupation, a group of trade unionists from the CFTC and the CGT initiated a form of resistance against the Vichy regime. They signed a manifesto known as "Le Manifeste des 12". This manifesto emphasised several key principles: The signatories affirmed the autonomy of trade unions from political and governmental influence. The manifesto underscored the role of trade unions in advocating for the economic and social rights of workers. In the context of the Vichy regime's collaboration with Nazi Germany and its anti-Semitic policies, the signatories expressed their opposition to anti-Semitism. The manifesto supported the coexistence of multiple trade unions, reflecting a diversity of worker interests and ideologies. This act of resistance marked a crucial step in the struggle for workers' rights under the oppressive Vichy regime. It highlighted the enduring commitment of French trade unions to principles of social justice, worker representation, and anti-discrimination. The manifesto served as a beacon of hope and resistance during a dark period in French history.

In the post-World War II era, a series of pivotal changes reshaped the landscape of workers' rights in France. The Algerian ordinance of 1944 nullified Vichy's labour charter, effectively reinstating all trade unions from 1939. Subsequently, in 1945, an ordinance was enacted, giving rise to works councils (CE) in establishments employing more than 100 individuals. These councils, elected by the workforce, assumed the role of monthly consultation on working conditions and were granted the right to scrutinise financial records. Notably, in larger companies with over 500 employees, these councils gained representation within the board of directors. The concept of works councils, originally introduced by the February 22, 1945 ordinance and further fortified by a law on May 16, 1946, became

mandatory for all companies with more than 50 employees. Members of these councils played a vital role in overseeing social initiatives and held rights to information and consultation regarding the company's economic management. Over time, the structure of these councils evolved, ultimately leading to their replacement by the Comité social et économique (CSE) on January 1, 2020. This broader framework for labour representation extended to the European level with the establishment of the Comité d'entreprise européen (CEE) in 1994. In 1946, the constitution integrated the right to strike and unionise, expanding these fundamental labour rights to companies with more than 50 employees, departing from the prior threshold of 100.

Collective agreements were reinstated in 1950 after the episode of the "Charte du Travail" during the Nazi occupation (Tixier, 2007, p. 106). The new law included an obligation for the employer to extend the benefits of the collective agreement clauses to all employees in the company and confirmed the procedure for extending agreements introduced in 1936 (Tixier, 2007, p. 106). However, the signed agreements remained non-binding, as they did not define actual wages, although some company agreements disrupted this by introducing the concept of "social public order." (Tixier, 2007, p. 107).

In 1950, the state unilaterally designated four trade unions as representatives, allowing them to participate in negotiations that could lead to binding agreements (Colson, Elgoibar and Marchi, 2015, p.5). These unions were the CGT, which had strong ties to the French Communist Party, FO, which emerged from a split with CGT in 1948 and followed a more reformist path, the CFTC, and the CGC, which focused on white-collar employees. In 1964, a reformist faction split from CFTC and formed the CFDT, which also gained recognition as a representative union in 1966 (Colson, Elgoibar and Marchi, 2015, p.5). No other trade union was nationally recognised as representative during this period (Colson, Elgoibar and Marchi, 2015, p.5). This system established an effective monopoly on representativeness, irrespective of the number of employees who actively joined the trade unions or voted for them in labour elections (Colson, Elgoibar and Marchi, 2015, p.5).

The civil unrest in France during 1968-69, known as May 68, originated as student protests. As violence escalated on the 10th of May, public opinion shifted in favour of the students. The CGT took over the movement with FO and called a general strike. The strikes paralysed the country, with 10 million workers across France participating on the 24th. Subsequently, the government invited social partners to negotiate, resulting in the Grenelle agreements.

The Grenelle Agreements, were negotiated between May 25 and 27. These negotiations brought together key stakeholders, including representatives from the government under the leadership of Prime Minister Georges Pompidou, trade unions, and employer organisations. Although the agreements were not formally signed, they left an indelible mark on French labour law with several notable reforms:

Firstly, a substantial 35% increase in the Salaire Minimum Interprofessionnel Garanti (SMIG), the guaranteed minimum wage, was implemented. This change aimed at improving the economic well-being of workers. Secondly, a noteworthy 10% rise in average real wages was introduced, reflecting a commitment to enhancing the financial standing of the workforce. Additionally, the enterprise trade union section (Section Syndicale d'Entreprise) was officially created through legislation enacted on December 27, 1968. These measures were a response to the pressing demands of workers and the need to address the prevailing social crisis. However, it is important to note that the agreements did not instantaneously bring an end to the strikes and protests; these continued for a period following the negotiations, before eventually dying out.

Afterwards, on December 27, 1968, the Law on Workplace Trade Union Sections was enacted, a significant milestone in the evolution of labour relations. This law empowered unions to establish trade union sections and appoint union representatives within companies. Its significance lay in its unwavering commitment to upholding the freedom of expression and action for unions within the workplace. Furthermore, it established a distinct union institution, the union delegate (DS), which worked in tandem with elected bodies like employee representatives and works councils. This legal

framework laid the groundwork for the future promotion of firm-level collective bargaining, recognising the pivotal role of unions in the workplace and fostering greater negotiation and collaboration between unions and employers at the enterprise level. Following the events of 1968, the government under the leadership of Prime Minister Jacques Chaban-Delmas embarked on a journey to foster a contractual policy. This included the introduction of the right to collective bargaining, which officially acknowledged the firm as a full-fledged level of negotiation (Tixier, 2007, p. 107). On July 13, 1971, the law officially recognised the right of workers to engage in collective bargaining. By the end of the 1970s, coverage through collective agreements continued to expand through sectoral agreements and the signing of major cross-industry agreements on training or collective redundancies (Tixier, 2007, p. 107). This marked a transformative shift from a focus on collective agreements to a broader emphasis on collective bargaining rights. The legislative action expanded the scope of collective bargaining by introducing enterprise-level and firm-level agreements, paralleling the structure of sector-level collective agreements. Furthermore, it broadened the range of topics covered by collective conventions to include social guarantees, encompassing a wider spectrum of employment-related matters within the negotiation process. These legal developments represented a significant shift towards acknowledging and promoting the fundamental role of collective bargaining in shaping labour relations. In 1968, sectoral agreements provided coverage for fewer than 70% of employees (Tixier, 2007, p. 107). Fast forward to the present day, and this coverage has significantly increased to reach 98%. However, it is worth noting that even with this extended coverage, many collective agreements still tend to focus on the essential social minimums. Intriguingly, a quarter of these agreements come into effect after undergoing a state-mediated conciliation process, which serves to facilitate negotiations between employer and union organisations (Tixier, 2007, p. 107).

These changes entail that capital and labour negotiation happen at the workplace, however this still excludes labour from corporate decisions (Goyer and Hancké, 2004, p. 175). The failure of codetermination was partly carried out by political miscalculations by unions in the 1970s (Goyer and

Hancké, 2004, p. 177). Indeed, after the events of May 68 the unions were convinced that a Left government would overthrow capitalism (Capdevielle et al., 1998; Lange et al., 1982). Therefore they did not want to be involved in the restructuring of capitalist companies, and believed their role in the future would be central in changing French society (Goyer and Hancké, 2004, p. 177). The events of May 68 and the resulting fear of a potential successful revolution also led the CNPF to adopt a more comprehensive approach. Their immediate objectives then became to improve and increase social dialogue but also to improve labour's working conditions at the workplace (Jenkins, 2002, p. 19). Howell (1992) argued that these developments led to a lack of labour participation in corporate governance in France. Countries such as Germany and the Netherlands have seats for representatives of workers on boards through work council arrangements (Goyer and Hancké, 2004, p. 175).

#### *4.1.2.3 The 1970s Profitability Crisis*

The journey through France's labour history, from the fervour of the French Revolution to the nuanced realms of collective bargaining, reveals a tapestry woven with societal, political, and economic threads. Each era, from the revolutionary zeal to the legal empowerment of trade unions, has left a lasting impact on the nation's labour landscape. The post-World War II era, notably marked by the Grenelle Agreements and the broadening of collective bargaining rights, significantly bolstered the position of workers. However, the emerging profitability crisis and the rise of neoliberalism have since reshaped the dynamics between capital and labour.

Initially, the historical narrative from the French Revolution through the 1980s shows a clear evolution in workers' rights and collective power. This period is characterised by a blend of abstract and concrete developments: on one hand, the ever-present shadow of revolutionary movements, and on the other, tangible gains in bargaining power, evidenced by better pay and improved working conditions. However, with capitalism facing a profitability crisis, a strategic shift was imperative. The fear of a united labour force had initially led capital to concede to some demands, but these concessions began

to cut into profit margins. Consequently, capitalists were compelled to rethink their strategies to bolster capital accumulation.

The advent of globalisation, privatisation, financialisation, and intensified competition, fuelled by directives from Brussels and a relentless pursuit of growth and profits, signified a significant transformation. Capitalism underwent profound transformations, often marginalising workers in the process. This era saw efforts to weaken the working class, characterised by reduced job security and high unemployment rates, fostering a widespread fear of job loss. This fear forced workers to accept increasingly precarious working conditions and inadequate wages. The result was a fragmented working class, divided by manipulated social narratives and the implementation of neoliberal policies. French capitalism, in response, adopted a facade of negotiation and cooperation with workers, creating an illusion of shared power while retaining actual control.

The rise of class-conscious worker groups, challenging the established order, led to the introduction of flexibilisation policies by neoliberal capitalism. These policies, marked by labour market deregulation and the promotion of temporary, precarious work arrangements, aimed to shift the power balance between employers and workers. They sought to forge a labour force that was more flexible, adaptable, and cost-effective, capable of rapidly responding to market changes. However, the context in France is unique due to its historical tradition of a strong labour movement. The rich history of worker rights and collective bargaining has left an indelible mark on the French labour landscape. The capitalist class in France is acutely aware of the potential for social upheaval system if flexibilisation policies are imposed unilaterally. This awareness has led to a distinct approach in dealing with such policies. In France, these policies are not merely imposed from above but must be negotiated with workers and their representatives. The capitalist class understands that attempting to force flexibilisation policies without worker input may trigger resistance and disrupt social stability. In conclusion, the need for new rules in light of the profitability crisis, coupled with worker mobilisation and class consciousness, has led to the introduction of flexibilisation policies in France,

as seen in other countries influenced by neoliberal capitalism. However, the historical context of a powerful labour movement and the possibility of social unrest have necessitated a more negotiated approach in France. The capitalist class understands that unilateral imposition of these policies could lead to turmoil and instability, making negotiation with workers a key aspect of the ongoing capital-labour struggle in the country.

## 4.2 Unions

In France, and this since 2013, only 5 trade union confederations are considered representative at the national and interprofessional level, the CGT, CFDT, CFTC, CFE-CGC and FO.

The CGT stands as a cornerstone in the realm of French trade unions. It bears the distinction of being the most substantial and the oldest among its counterparts. Founded in the September of 1895, the CGT has etched an enduring presence in French labour history, consistently advocating for the rights and welfare of the working class. For the first time since 2014, the CGT recorded an increase in union membership in 2019 with 640,000 members (La Croix, 2020). The economic crisis of 1930 and the threat of fascism in 1934 led to a coming together between the French Communist Party (PCF) and the French Section of the Workers' International (SFIO), which also extended to the labour movement. The CGT (General Confederation of Labour) and the CGTU (United General Confederation of Labour), which had split after the Tours Congress in 1920, held a congress in Toulouse from March 2 to 5, 1936, to reunite. This was a significant step towards consolidating the labour movement in France.

CGT-FO is the third biggest union with 500,000 members (La Croix, 2020). CGT-FO takes roots in the CGT and was founded in 1947, it is commonly referred to as FO.

The CFDT, recorded an increase in 2019 as well with 625,525 members (CFDT, 2020). The CFDT was officially created in 1964 as a replacement for the CFTC. The change occurred as a result of the deconfessionalisation of the union which takes roots in Christian unionism.



The CFE-CGC counted 145 665 members at the end of 2018 (CFE-CGC, 2019). It was created in 1944 and represents '*cadres*' which is a French labour market status recognised by collective conventions, this status gives them access to a specific pension plan. *Cadres* encompass professions such as managers, professionals, executives and engineers. Note, this is a term that is not defined in the labour code, but broadly *cadres* have a different status than employees, they usually have a higher salary and a higher position within the company.

The Confédération française des travailleurs chrétiens (CFTC), or the French Confederation of Christian Workers. This organisation was founded on November 1, 1919 originated from a federation of Christian unions of employees and railway workers that was created in the late 19th century. Unlike many other labour unions, the CFTC rejected the concept of class struggle. Instead, it drew its inspiration from the social doctrine of the Church. The CFTC continues to be an influential union in France today.

The CFTC is the smallest of the five trade union confederations with 140000 members (CFTC, 2020). The CFTC was created in 1919, but after the change that saw the CFTC become the CFDT, the union was founded again in 1964.

Non-representative, but relevant unions include FEN (Federation de l'Education Nationale) which was created in 1948 as the education sector refused the split between the CGT and FO and decided to form their own union. The union collapsed a few decades later and from the inner divisions of this union the UNSA (Union Nationale des Syndicats Autonomes) and FSU (Federation Syndicale Unitaire) were created in 1992. After Mitterrand's election, another union emerged in the 1980s named SUD (Union Syndicale Solidaire).

Since the 2008 law on union representativeness, all trade unions must respect a set of criteria to be representative at the national and interprofessional level. This includes having to gather a minimum

number of votes at the professional elections, that is 8% at the branch or national interprofessional level or 10% at the company level. Other criteria encompass the respect of republican values, independence, financial transparency, a minimum of 2 years of existence, influence, and membership numbers and contributions (Ministere du Travail, de l'Emploi et de l'Insertion, 2017, p5). While this law has its downsides, it has the potential to force unions to regroup in the future and be increasingly united. However, there would still be the problem of low unionisation.

In light of declining union membership and persistent doubts about their numbers, the influence of unions is typically gauged through their electoral performance (Andolfatto and Labbé, 2006, p.14). As union membership wanes, professional elections have become a means to maintain or establish new legitimacy for unions (Andolfatto and Labbé, 2006, p.14). However, declining voter turnout in some elections underscores the difficulty unions face in rejuvenating themselves without strong grassroots support (Andolfatto and Labbé, 2006, p.14). Despite this, they can adapt to the situation, becoming the domain of specialists with sporadic connections to a limited number of constituents (Andolfatto and Labbé, 2006, p.14). Additionally, it is noteworthy that the CGT and CFDT benefit from a more favourable ratio of members to voters, retaining some social bases, while the other confederations primarily rely on electoral legitimacy (Andolfatto and Labbé, 2006, p.14).

The results of the last professional elections highlighted in Table 4.1 below is a useful indicator of the active involvement of union members. For instance, the CGT has traditionally been the biggest trade union in France and still counts more members than the CFDT – however we can see there has been a slight shift in the power balance between the two unions. In 2017, for the first time, the CFDT obtained more votes than the CGT at the professional elections. As electoral outcomes can be influenced by various factors, and the mere act of winning an election doesn't necessarily guarantee that the union represents the best interests of all employees, it can be argued that electoral success alone is not a sufficient indicator of legitimacy (Salesina, 2012, p.15). In addition, professional election results are influenced by "local logics." (Salesina, 2012, p.15). This implies that the context in which

the elections take place can play a significant role in determining their outcomes. This introduces a level of complexity and subjectivity into the assessment of union legitimacy(Salesina, 2012, p.15). The also is a growing "distanciation" or disconnection between elected union representatives and their central organisations(Salesina, 2012, p.15). This suggests that unions might not always act in line with the strategies and priorities of their national or central bodies(Salesina, 2012, p.15).

Table 4.1: 2017 Union Representativeness Results

	Number of votes	Percentage of Votes	Relative weight
CFDT	1 384 355	26.39%	30.33%
CGT	1 303 750	24.85%	28.56%
CGT-FO	818 393	15.60%	17.93%
CFE-CGC	560 618	10.69%	12.28%
CFTC	497 368	9.48%	10.90%

Source: Ministère du Travail, de l'Emploi et de l'Insertion (2017)

#### 4.2.1 Employers' Organisations

The subsequent creation of the CGT worried the capitalist class – this led to the creation of the first French employers' organisation in 1901 , the UIMM (*Union des industries métallurgiques et minières* now named *Union des Industries et Métiers de la Métallurgie*) which is now part of the MEDEF. The MEDEF was created in 1998 as a replacement for the CNPF (Conseil National du Patronat Français). The CNPF was created in 1946 following the second world war, and was a conservative institution (Jenkins, 2002, p. 18). In 2017, 123,632 companies were adhering to the MEDEF (Ministère du Travail, de l'Emploi et de l'Insertion, 2020). Note that although more than 95% of the MEDEF's members are small and medium enterprises (SMEs) (MEDEF, n.d.). The MEDEF usually represents the interests of big corporations, many of which are French multinationals. This is because it is heavily dominated by the AFEP (Association Française des entreprises privées), a lobbying organisation representing large French companies. The AFEP has a right to evocation and can also veto the MEDEF's decisions that interfere with their own interests. The MEDEF has successfully put on a united front, its internal

divisions are hard to grasp, while we know there are some as enterprises compete and often have diverging interests (for example the food and distribution industries often have conflicting interests) (Offerlé, 2015, p116).

The CPME was created in 1944 and represents SMEs. The CPME counted 144 982 companies in 2017 (Ministère du Travail, de l'Emploi et de l'Insertion, 2020).

U2P was created in November 2016 as the successor of the UPA (Union Professionnelle Artisanale). It represents crafts, local commerce and liberal professions. U2P counted 150,605 companies amongst its members in 2017 (Ministère du Travail, de l'Emploi et de l'Insertion, 2020). U2P counts more companies as a result of the merging together of crafts and liberal professions into one organisation.

On November 9, 1940 the Vichy government banned both employers and workers unions except for the UIMM.

The reform for employer's organisations representativeness was implemented in 2014 and determines which organisations will be representative for a quadrennial. The way representation is measured for employers is different from that for trade unions. Representativeness is granted after an administrative investigation conducted by the ministry of labour. An employer's organisation is representative when it obtains an audience score of at least 8%.

It is essential to keep in mind that large corporations have their own unique social policies. Their Human Resources departments (DRH) frequently share their experiences through the French Association of Private Enterprises (AFEP) rather than within MEDEF (Join-Lambert et al., 2011). The AFEP, a low-profile organisation representing the top 90 companies, is involved not only in fiscal and economic matters but also in social issues (Join-Lambert et al., 2011).

Offerlé's observations on the challenges of accessing research materials related to employers' organisations and their practices are underscored. It is noted that finding a well-established doctrine could potentially be an elusive endeavour for researchers. The scarcity of authoritative texts, such as

manifestos or general assembly motions, akin to the guidance documents produced by trade unions, presents a significant obstacle to scholarly analysis (Join-Lambert et al., 2011). Instead of programmatic texts that agents use to frame, elucidate, justify, constrain, or guide political, legal, and expert practices in social matters, what is encountered are fragmented pieces of documentation (Join-Lambert et al., 2011).

The CNPF, now Medef, has historically held a dominant position within the employers' organisations. Other employer federations lacked the resources and political influence to impact employer policies or present alternatives in interprofessional negotiations (Join-Lambert et al., 2011). The CNPF/Medef delegation led discussions and set the agenda. The General Confederation of Small and Medium-sized Enterprises (CGPME) and the Union of Skilled Trades (UPA) played secondary roles, supporting CNPF/Medef negotiators who controlled the negotiation process (Join-Lambert et al., 2011). Additional employer groups, such as think tanks and chambers of commerce, lacked decision-making authority and had limited influence on the employer's agenda, both internally and externally (Join-Lambert et al., 2011). This concentration of power in CNPF/Medef raises questions about democratic decision-making in employer circles and their ability to represent diverse labour market interests (Join-Lambert et al., 2011).

This demonstrates that within the realm of capital, power is not homogeneous, and divisions exist. The employer landscape reveals a multifaceted structure with varying degrees of influence and decision-making capacities, as seen in the distinctions between dominant entities like CNPF/Medef and auxiliary organisations such as CGPME and UPA. This fragmentation of power within the capital sphere underscores the complexity of employer dynamics and challenges the notion of a unified and homogenous front on the side of capital. Furthermore, this situation highlights that companies with the greatest influence can implement policies that align with their interests. The concentration of power within dominant employers' organisations like CNPF/Medef provides a platform for these companies to shape and advocate for policies that serve their specific needs and objectives. This

underscores the potential for economic disparities and the unequal influence of powerful companies in shaping labour market policies to their advantage.

Employer organisations play a significant role in labour relations, but determining their representativeness is complex (Salesina, 2012, p.15). The divisions that exist among these employer organisations can make it difficult to ascertain their true representativeness, especially since companies can be affiliated with multiple employer associations (Salesina, 2012, p.15). This implies that there are various factions and groups within the capital side of labour relations. Three French employers' organisations can sign collective agreements, the MEDEF, CPME and U2P. The results of the last audience measure are captured in Table 4.2. It highlights that although the U2P covers more enterprises, the MEDEF is the most powerful employer's organisation as it covers 8.5 million of employees and it alone can veto any collective agreement. This is because the 2014 law on employers' organisations puts more weight on the number employees rather than the number of employers covered.

Table 4.2: Employers Organisations Representativeness Measure

	<i>Number of companies</i>	<i>Number of Employees</i>	<i>Company's Audience</i>	<i>Employees' Audience</i>	<i>Relative Weight</i>
<i>MEDEF</i>	123 632	8 557 341	29,45%	70,77%	70,82%
<i>CPME</i>	144 982	3 017 876	34,53%	24,96%	24,97%
<i>U2P</i>	150 605	509 362	35,87%	4,20%	4,21%

Source: Ministère du Travail, de l'Emploi et de l'Insertion (2020)

#### 4.2.2 Unions Inter-Union Dynamics and Intra-Union Relationships

The declining trend in union membership in France is coupled with a growing fragmentation within the trade union movement (Andolfatto and Labbé, 2006, p.13). In the 2000s, there were seven interprofessional trade union organisations, alongside sector-specific unions, sharing the remaining membership (Andolfatto and Labbé, 2006, p.13). The two major union traditions, one rooted in the

workers' movement led by the CGT and the other associated with social Catholicism represented by the CFTC, have experienced multiple divisions (Andolfatto and Labbé, 2006, p.13). These divisions gave rise to new organisations like the UNSA, FSU, and SUD unions in the 1990s (Andolfatto and Labbé, 2006, p.13). Even the CNT, an old anarchist dissenting group from the CGT, has gained renewed relevance (Andolfatto and Labbé, 2006, p.13). These internal divisions contribute to the perception of unions retreating to a few secure positions, which further diminishes their influence in public opinion (Andolfatto and Labbé, 2006, p.13).

#### *4.2.2.1 Division Amongst Unions: A Political History*

Among the 5 representative trade unions, the CGT and FO are often considered to be the 'revolutionary' ones, and the three others the reformists. These two groups are also divided among themselves.

Both the government and the capitalist class feared the CGT's revolutionary ideas and that they could potentially overthrow bourgeois society. This is highlighted by the inter-war concessions the government made by giving in to the CGT's demand to reduce working day to 8 hours. Also, while looking into the UIMM's archives, Danièle Fraboulet found notes from the central committee of the CGT's meetings, suggesting surveillance activities (Syndicats, histoire d'un contre-pouvoir, 2014). The strategy is clear: divide and conquer by encouraging new unions to form. As the CGT was opposed to religious ideas, it counted very few Christian workers amongst its ranks. This allowed the creation of the CFTC. The CFTC from its foundation contrasted with the CGT's confrontational stance by favouring dialogue.

After the war, De Gaulle's government had to rebuild the French economy. A lot of industries were nationalised which made the state an important economic agent, alongside the expansionary Keynesian policies. However, both the cold war and the Marshall plan divided the left even further as the government had to get rid of its communist ministers to receive the aid. Also, divisions amongst

those who supported the USSR and those who didn't fuelled the split between the CGT and FO. It is well-known that FO splintered away from the CGT because of ideological differences: the CGT was dominated by communists while FO was dominated by socialists. The creation of FO, however, was heavily influenced by the cold war – as the Americans were hunting communists down in Europe. The trade unionist and member of the American Federation of Labour (AFL), Irvin Brown, was sent to France by the CIA to operate the split between the CGT and FO in the fight against communism (Charpier, 2008; Nouzille, n.d.). The splinter group FO, started to form in 1944, Brown's mission was then to break the CGT's communist hegemony by supporting both financially and logistically the anti-Communist FO faction. In 1949, the CIA agent and Free Trade Union Committee (FTUC) leader, Jay Lovestone intervened through the American Federation of Labor (AFL). The AFL and the FTUC often have sent money to FO either through the CIA or the Marshall Plan. The aim was clear: to divide trade union activities in Europe and undermine communism by funding reformist trade unions. It is the CIA agent Thomas Braden that revealed the existence of these clandestine transactions, he did so as a praise, not a critique. Braden also admitted to the funding of the CFTC (Charpier, 2008; Nouzille, n.d.).

After World War II, trade unions became increasingly political, as they were banned by the Vichy government during the war and often took part in the French Resistance against Nazi occupation. The election of Mitterrand in 1981 therefore had an important impact on unions as it marked the first time that a left wing government in France was not pursuing a left wing political agenda. This government, at first included four ministers from the PCF (French Communist Party). This left FO being cautious that the CGT would end up with greater political power as they had close ties with the communist party. Paradoxically, it is the CFDT that FO should have been worried about, not the CGT (*Syndicats, histoire d'un contre-pouvoir*, 2014).

The Keynesian policies implemented by the government failed to reduce inflation and unemployment and exacerbated the public debt. As a result, the Mitterrand government took a U-turn in 1983 and followed the European neoliberal path and started implementing austerity policies. These policies



included a complete freeze on wage increase to stop the inflation from spiralling – this was supported by the CFDT, while the CGT and FO expressed their disgruntlement as this also meant a freeze on collective bargaining and negotiations. In the 1990s, the right was back in power and the prime minister, Alain Juppé put forward a social security reform. The CFDT backed this plan, even though its general secretary warned the Prime Minister to not go ahead with the retirement reforms as it would unleash social unrest (Nicole Nottat in Drévilon, 2014). With the CFDT backing the government on these reforms, the divide amongst trade unions appeared clearer. However, both the CGT and FO went on strike, this both were the biggest strikes since 1968 but also marked the first time the two confederations went on strike hand in hand since the split. The strikes were deemed a success by the unions as Juppé ended up backing down on his retirement reforms. However, he still went forward with the law on social security, resulting in a situation aptly captured by the headline: ‘what is left of Juppé’s plan? Almost everything’ (Libération, 1995).

In the early 2000s, the CFDT's shift towards a more moderate approach put the CGT in a vulnerable position, subjecting it to critiques that accused it of engaging in "ineffective protest." (Giraud, 2015, p.312). The stigma of being perceived as an organisation that merely contests without achieving tangible results was not new but became increasingly detrimental to the CGT(Giraud, 2015, p.312). The decline in the electoral influence of the French Communist Party (PCF) and the diminishing mobilisation capacity of the CGT exacerbated the situation(Giraud, 2015, p.312). The CGT's leaders recognised that the shrinking size of their militant base was a sign that they were struggling to demonstrate the effectiveness of their "struggle unionism." (Giraud, 2015, p.312). As the CGT weakened, the CFDT's saw a resurgence in its membership(Giraud, 2015, p.312). The CGT leaders feel that they have allowed the CFDT to gain influence in the realm of labour reform, and this perception creates a sense of disorientation within their ranks(Giraud, 2015, p.312). To address this challenge, the CGT leaders see a need to reinvest in the field of collective bargaining, which, in their view, would enhance the legitimacy of their organisation(Giraud, 2015, p.312). This strategic overhaul involves decoupling the means and the purpose of union action, separating the defence of workers' interests

through mobilisation and negotiation from partisan struggles for political power(Giraud, 2015, p.312). This strategic shift distances the CGT from the declining French Communist Party (PCF) and aims to restore confidence among workers in the utility of the CGT's actions(Giraud, 2015, p.312).

However this shift came with criticism from the other unions that also opposed neoliberal reforms. In the case of the 2003 reform proposed by François Fillon, several other labour organisations, including FO (Force Ouvrière), Solidaires, the major teachers' union (FSU), and even the Union of Autonomous Trade Unions (UNSA), joined forces with the CGT in the fight against the reform(Giraud, 2015, p.313). These organisations, often well-established in the public sector, witnessed strong mobilisation during this reform(Giraud, 2015, p.313).However, the CGT faced direct competition in its claim to embody a militant trade unionism and its role as the leader of the mobilisation(Giraud, 2015, p.313). Solidaires and FO, in particular, challenged the CGT by accusing it of avoiding a more radical confrontation with the government(Giraud, 2015, p.313). Despite this, the CGT remained engaged in the mobilisation, especially after the CFDT's early withdrawal from the protest, as the CFDT signed an agreement with the government at the outset of the movement(Giraud, 2015, p.313).

The CGT became marginalised, partly due to the growing influence and strategic positioning of the CFDT(Giraud, 2015, p.314). the CFDT has positioned itself as the primary union interlocutor in negotiations with employers and the government regarding labour reforms(Giraud, 2015, p.314). This role has made the CFDT the most active contributor to the CGT's institutional marginalisation(Giraud, 2015, p.314). The CFDT's active involvement in negotiations with employers and government officials has allowed them to influence and validate agreements without necessarily considering the CGT's positions(Giraud, 2015, p.314).

After Sarkozy's election in 2007, the social dialogue was broken, the government was hearing out the social partners without considering what they were saying. The CFDT and the MEDEF were then closer together than they were with the government (*Syndicats, histoire d'un contre-pouvoir*, 2014). In 2010, the Sarkozy government put forward a retirement reform which aimed at increasing retirement age.

All eight main trade unions (CGT, CFDT, FO, CFTC, CGC, UNSA, SUD and FSU) went on strike all together and gathered millions of people on the streets. However, the reform still passed in parliament and was adopted. This marks a true impasse for unionism in France as even when united, they failed to obtain concessions from the government. Sarkozy had a very hostile attitude toward trade unions, indeed, during his 1<sup>st</sup> of May 2012 speech in which he denigrated unionism, he famously said 'It is not trade unions that govern, it is the government' (Sarkozy, 2012).

This underscores the competition and rivalries within the French labour movement, which have far-reaching implications for labour relations and the impact of labour unions on policy decisions. Not all union confederations are unanimous in their support for greater collaboration or co-management with company management. This diversity of perspectives indicates that the idea of embracing dialogue with management is met with varying degrees of acceptance within trade unions (Salesina, 2012, p.16). It also implies that leaders of some major trade unions are in favour of, at the very least, dialogue with company management, if not full co-management. However, their stance is not universally embraced within these federations, suggesting internal differences and debates. The trade union landscape in France remains fragmented, with five main organizations (CGT, CFDT, FO, CGC, CFTC), two others (UNSA, SUD) playing significant roles in specific sectors or firms, and several more relevant at the local level (Colson, Elgoibar and Marchi, 2015, p.7). This dispersion leads to two challenges. Firstly, trade unions often engage in political competition, especially during employee representative elections, as they believe that having an assertive electoral platform will help them gain votes (Colson, Elgoibar and Marchi, 2015, p.7). Secondly, employers find it challenging to have divided representatives at the negotiation table, hindering productive social dialogue and sometimes causing agreements to be blocked due to the unions' inability to reach a consensus (Colson, Elgoibar and Marchi, 2015, p.7).

#### 4.2.2.2 *Negotiation Strategies in CGT Unionism: Resisting Modern Capitalism in France*

The study of the practices of CGT confederal leaders is of particular interest due to the position of this confederation within the diverse landscape of French trade unionism (Giraud, 2015, p.309). As inheritors of a highly politicised form of unionism, CGT leaders vehemently criticised the CFDT's move toward negotiation-oriented practices in the late 1970s, arguing, "Unionism is not done at the Élysée or Matignon; it is done in the struggles." (Giraud, 2015, p.309). Even today, the CGT remains the union organisation that signs the fewest interprofessional agreements (Giraud, 2015, p.309). It continues to occupy a central role in resisting austerity policies (Giraud, 2015, p.309). Negotiations on the reform of retirement and social security financing methods, like many other negotiation cases, have ended with agreements that were largely unfavourable to the positions advocated by the CGT (Giraud, 2015, p.317). In fact, its leaders have refused to sign them (Giraud, 2015, p.317).

Faced with accusations that the CFDT engages in "cold negotiations," which are deconflictualised with the sole objective of reaching an agreement that bolsters its position as the preferred interlocutor of employers and the government, CGT leaders continue to uphold the principle of union action that balances negotiation with the use of collective action by workers to defend their interests (Giraud, 2015, p.319). This more conflict-oriented conception of negotiation aligns with the firmly entrenched belief among CGT leaders that building a collective balance of power remains essential for fulfilling union demands (Giraud, 2015, p.319). Trade unions must continually adapt and evolve. This capability refers to their capacity to learn from experiences, both successes and failures, and to apply these lessons to future actions and strategies.

The experience and skills they have acquired through their roles as union activists directly engaging with workers within companies remain the fundamental building blocks of the essential competencies for any union representative (Giraud, 2015, p.311). Consequently, these confederation advisors do not readily embrace the idea of being limited to institutional representation work within interprofessional negotiation settings, devoid of direct interactions with workers (Giraud, 2015, p.311). They are

concerned about the risk of being pigeonholed as "desk-bound activists," constrained to a role as "experts," a situation that could potentially clash with their vision of authentic activism(Giraud, 2015, p.311).

To comprehend how these CGT representatives manage to find legitimacy in their negotiation work and justify the need for all their members to consider negotiation as a central aspect of their union activism, one must delve into the changes in political and union power dynamics that led them to accept the idea of modifying their practices(Giraud, 2015, p.311). The initial upheaval faced by these union representatives was the waning influence of militant communism. Its ideological and material foundations indeed provided substance to the "combatant unionism" that the CGT claimed to embody in contrast to the "reformist" camp(Giraud, 2015, p.311). In a context marked by significant workforce restructuring, the CGT's challenges in advancing its union project were compounded by the decline in strikes and labour conflicts, as well as the erosion of its activist base(Giraud, 2015, p.312). During the 1980s, its claimed membership dwindled from 2 million to less than 700,000(Giraud, 2015, p.312).

The emphasis on re-engaging with negotiations within the CGT has found a relatively unified agreement among advisors and confederation leaders. However, it faces resistance from some of the rank-and-file members(Giraud, 2015, p.319). There was a sentiment among them that the institutional activities of their leadership come at the expense of their engagement in organizing workers' struggles(Giraud, 2015, p.319). The negotiation practices of confederation leaders thus crystallise the tensions that the CGT leaders must manage with a portion of their grassroots members(Giraud, 2015, p.319). These tensions arise due to the practical and symbolic distance that these negotiation practices create in the way they conduct trade unionism (Mischi, 2011, cited in : (Giraud, 2015, p.319)). During a preparation meeting for the 48th CGT Congress in 2006, public hospital workers directly confronted Bernard Thibault (then Secretary-General) to encourage more proactive involvement: "We need to pound the table and say enough is enough! What are we waiting for to call for a general interprofessional strike? That's the only way to force the government to yield!" Another member

believed that "the concessions made to the government and employers, the institutionalization and bureaucratisation of the leadership, have ultimately distanced us from taking action." (Giraud, 2015, p.319).

This strategy is primarily justified as a necessary adaptation to the weakening mobilisation capacity of the CGT(Giraud, 2015, p.320). This weakening is attributed to the decline in the number of its members, most of whom are recruited from the public sector(Giraud, 2015, p.320). At a time when unions are often criticised for seemingly only advocating for the interests of public sector employees with "privileged" status, CGT leaders perceive the use of diversified methods of action and spaced-out mobilisation efforts as a more suitable strategy than calling for a continuous strike movement(Giraud, 2015, p.320). This approach aims to gather a large number of employees from various professional backgrounds and gain the support of public opinion, with the hope of bolstering the legitimacy of the mobilisation (Giraud, 2006,cited in: (Giraud, 2015, p.320). Organisational power is closely tied to a union's social capital. It encompasses the networks, alliances, and affiliations that a union has established over time. The depth and breadth of these social connections can enhance a union's capacity to garner support, resources, and solidarity from various quarters.

The ability of confederation leaders to initiate mobilisations is also constrained by the challenge of rallying members with diverse levels of engagement and different reasons for joining the CGT(Giraud, 2015, p.321). These members often maintain distant relationships with their local union branches(Giraud, 2015, p.321). They have varying degrees of willingness to identify with the mobilisations initiated by the confederation(Giraud, 2015, p.321). This divergence in willingness can be attributed to several factors. Firstly, many members perceive the legitimacy of union involvement as limited to actions that defend employees' professional interests within their workplaces(Giraud, 2015, p.321). They may view confederation-led actions as more political than union-related. Secondly, these mobilisations typically involve methods such as strikes and protests, with which members have varying levels of familiarity (Giraud 2009, cited in: (Giraud, 2015, p.321)). The diversity of engagement

levels and perspectives among union members can pose challenges to the cohesive exercise of union power. The ability to mobilise a unified front is often a source of strength for trade unions. When members have different views on the scope and nature of union actions, and when they vary in their willingness to participate in strikes or protests, it can lead to reduced union influence and effectiveness in achieving their goals.

The limited availability of CGT militants for engagement in proposed actions is another challenge(Giraud, 2015, p.321). In the current landscape, there are numerous and regular interprofessional negotiations(Giraud, 2015, p.321). CGT activists at the workplace level and leaders of professional federations often face constraints due to their limited pool of activists to respond to the multiple institutional requests directed at them(Giraud, 2015, p.321). Consequently, calls for mobilisation from their confederation are not typically perceived as top-priority actions(Giraud, 2015, p.321). This situation emphasises that the commitment of professional federations and workplace militants demands a significant and sustained effort in terms of internal mobilisation(Giraud, 2015, p.321). In some cases, extensive preparations, including dozens of meetings, were undertaken before the mobilisation against the pension reform in 2003(Giraud, 2015, p.321). However, not all interprofessional negotiations allow for such extensive preparations, and sometimes, these negotiations overlap(Giraud, 2015, p.321). These factors contribute to a reduction in the overall power and influence of unions. Limited resources, varying levels of commitment among members, and the challenge of coordinating actions in a rapidly changing landscape can diminish the unions' ability to effectively mobilise and influence decision-making.

The concern among CGT representatives lies in the worry that the government and corporate management's emphasis on collective bargaining primarily serves to distance unionists from the workers and to legitimise decisions that are, in reality, already decided(Giraud, 2015, p.311). These fears also extend to their own roles as union officials(Giraud, 2015, p.311). This apprehension is connected to their own experience and the values they uphold(Giraud, 2015, p.311). Their militant

background has revolved around the idea that the power of collective worker action is essential in achieving workers' rights(Giraud, 2015, p.311). To them, the essence of CGT's culture is firmly rooted in the struggle, rather than institutional processes(Giraud, 2015, p.311). The trajectory of these union officials' activism provides a clear explanation for their strong attachment to the union institution(Giraud, 2015, p.311). They feel indebted to the institution and identify with the idealised image of a legitimate union activist that it promotes(Giraud, 2015, p.311). This model of a legitimate union activist is one who engages in "ground-level" activism, forged through daily struggles alongside workers, and has risen through the ranks by dedicating themselves to this cause(Giraud, 2015, p.311).

#### *4.2.2.3 Implications for Union Power*

The most immediately visible aspect of the shift from conflict towards negotiations is the declining number of strikes and, to a lesser extent, demonstrations(Andolfatto and Labbé, 2006,p.3). In traditional union action, a significant emphasis was placed on providing information to employees and the general public(Andolfatto and Labbé, 2006,p.3). At the company level, traditional communication methods included distributing leaflets at the entrance of the establishment and posting them on the union's notice board, as well as public speaking(Andolfatto and Labbé, 2006,p.3). The decline of these traditional forms of communication began in the 1980s. Today, in most establishments, these activities are limited to election periods. At the federation and confederation levels, the same trend is evident, as seen in the financial reports presented at congresses. Across all organizations, there are consistent trends: administrative expenses now consume over two-thirds of the budget, compared to one-third half a century ago, while propaganda expenses have followed the opposite trend, with publications, brochures, posters, and more constituting less than one-tenth of the expenses, compared to one-third 50 years ago.

In France, protests have become a more demonstrative and collective form of union expression(Andolfatto and Labbé, 2006,p.4). They serve to demonstrate collective identity, with



workers' unions, particularly those representing blue-collar workers, being the main organisers of these demonstrations(Andolfatto and Labbé, 2006,p.4). While strikes have decreased, demonstrations have become a prominent means of expressing discontent(Andolfatto and Labbé, 2006,p.4). The role of the media has become central in the "street strategy" to create a positive image of the group and its demands during demonstrations(Andolfatto and Labbé, 2006,p.4). have also become important, with the CFDT favouring them(Andolfatto and Labbé, 2006,p.4). However, the significance of these "grand gatherings" has diminished since the failed strikes of the spring of 2003, suggesting that their mobilisation capacity has waned(Andolfatto and Labbé, 2006,p.4).

Measures aimed at flexibilising labour laws and providing substantial social security contribution exemptions for businesses, enacted under President Hollande's government, did not spark large-scale mobilisations (Giraud, 2015, p.308). This was against the backdrop of deep divisions among trade union organisations, with some (CGT, Force Ouvrière-FO, Fédération Syndicale Unitaire-FSU) challenging agreements reached by others (Confédération Française Démocratique du Travail-CFDT, Confédération Française des Travailleurs Chrétiens-CFTC, Confédération Française de l'Encadrement-Confédération Générale des Cadres-CFE-CGC) (Giraud, 2015, p.308).These events illustrate the complex dynamics of labour mobilisation in France, marked by periods of substantial social protests and, at times, inter-union tensions that can limit the scale and effectiveness of collective actions(Giraud, 2015, p.308).

Furthermore, the French labour system is characterised by a high number of trade unions, and this fragmentation has increased despite the weakening of their ability to mobilise employees(Salesina, 2012, p.21). The presence of multiple unions within a single establishment creates an ambiguity regarding whether this pluralism increases competition between the unions at the expense of their respective influence, or if it, conversely, strengthens them, particularly in the case of coalitions(Salesina, 2012, p.21). On one hand, pluralism within unions can lead to divisions that hinder the relative power and effectiveness of union representatives(Salesina, 2012, p.21). On the other

hand, it can be argued that the response of union representatives to the implementation of HR practices depends on their relative power (Salesina, 2012, p.21). When their power is weak, unions may not be able to oppose these practices, while high power can lead unions to not perceive these practices as a threat, allowing them to be implemented (Salesina, 2012, p.21). In the French context, union fragmentation is often seen as a detriment to the effective functioning of the system (Salesina, 2012, p.21).

While negotiations were once associated with social progress, today, they seem to place greater constraints on unions (Giraud, 2015, p.307). Even when unions occasionally secured the recognition or extension of certain social rights (such as individual training rights or rechargeable unemployment benefits), their ability to influence the outcome of negotiations appears severely limited (Giraud, 2015, p.307). Union representatives find themselves in a significant contradiction (Giraud, 2015, p.307). They are increasingly engaged in negotiation procedures that consume most of their activity, yet they have little control over the negotiation agenda and often struggle to influence the outcomes (Giraud, 2015, p.307). This situation is further complicated by the overall weakness of union membership (Giraud, 2015, p.307). This underscores the challenges faced by unions in the current labour landscape, where their role in negotiations appears less influential, despite their heightened involvement in the process.

### 4.3 Collective Bargaining

The landscape of labour in France, particularly in the realm of collective bargaining, has been one of dynamic evolution, influenced by a confluence of historical, social, and economic forces. This evolution is not just a tale of legal amendments and policy shifts but a reflection of the broader narrative of France's labour history, its socio-political ethos, and the global trends in labour relations. At the heart of this transformation lies the concept of flexibilisation. As an imperative of neoliberal capitalism, flexibilisation has reshaped the way labour rights are negotiated and defined, altering the balance of

power between employers and employees. In this detailed exploration, we delve into the intricate transformations that have redefined collective bargaining in France.

This section will focus on the multifaceted aspects of how France has expanded collective bargaining coverage over the years. This expansion has not been linear or uniform; it has been marked by periods of intense conflict, negotiation, and compromise, deeply influencing the fabric of workers' rights, their powers, and the overall labour market dynamics.

#### 4.3.1 Negotiating Flexibility: The Role of Collective Bargaining in Labour Market Adaptation

##### 4.3.1.1 *Historical Evolutions and Legal Framework*

Prior to the formal recognition of firm-level bargaining in 1982, informal negotiation practices were already underway within unionised companies (Tixier, 2007, p. 107). These practices were based on the interventions of the employee delegates, who had the legal right to present individual and collective grievances to the employer, and who were often supported by the visits of union officials, who could mobilise the workers and exert pressure on the management (Andolfatto and Labbé, 2006). However, these informal negotiations were rarely recorded in written agreements, which made them escape the control of the company's management and creates a space of implicit regulation.

The formalisation of firm-level collective bargaining on a large scale was only realised with the Auroux Laws of 1982. These laws, named after the Minister of Labour who championed them, represented a pivotal moment in the transformation of France's labour negotiation landscape. They marked a departure from the previous system and ushered in a new era where the firm became the primary locus for collective bargaining (Tixier, 2007, p. 107). The Auroux Laws, enacted in 1982 in France, represent a significant milestone in the transformation of labour law and worker rights. Comprising four key legislative changes, these laws introduced numerous innovations that reshaped the labour landscape in the country. These laws encompass four significant legislative changes:

1. **Law No. 82-689 on the Freedoms of Workers in the Company (August 4, 1982):** This legislation notably prohibited any form of discrimination in employment, asserting that no employee could be subjected to sanctions or dismissal based on their political opinions, trade union activities, or religious beliefs.
2. **Law No. 82-915 on the Development of Employee Representative Institutions (October 28, 1982):** This law focused on enhancing the role of employee representative institutions, particularly works councils (CE). It mandated a minimum operating allowance for these councils, a financial commitment equal to 0.2% of gross payroll.
3. **Law No. 82-957 Relating to Collective Bargaining and the Settlement of Labour Disputes (November 13, 1982):** Collective bargaining took centre stage with this legislation. It mandated annual negotiations at both the sectoral and company levels on wages, working hours, and work organisation. However, it is not mandatory that these negotiations necessarily lead to an agreement. This law thus opens the possibility of concluding, in certain areas and under specific conditions, collective agreements that allow for deviations from legislative or regulatory provisions. This deviated from previous practices that largely relied on sector-wide agreements (Tixier, 2007, p. 107). Finally, it rigorously regulates the terms of these agreements and the right of opposition by non-signatory trade unions ("Lois Auroux," n.d.). This shift grants companies a greater level of flexibility as it allows some companies to adapt labour agreements to their specific needs, potentially increasing efficiency and competitiveness. This has been done at the expense of labour standards and protections, leading to situations where company-level agreements favoured employers at the expense of employees' rights and working conditions. This marked a shift towards a more employer-friendly, flexible labour market, which, contributed to the erosion of workers' rights and bargaining power.
4. **Law No. 82-1097 Relating to Health and Safety Committees and Working Conditions (December 23, 1982):** This law led to the establishment of the CHSCT (health, safety, and

working conditions committee), replacing previous committees. It granted employees the right to withdraw from work in the face of imminent danger, enhancing their safety. The CHSCT must be consulted before making any decisions related to changes in working conditions. It can conduct investigations in the event of a workplace accident or occupational illness ("Lois Auroux," n.d.).

These legislative changes, with over 300 provisions, significantly restructured the French labour market. Additionally, two ordinances complemented these laws: one reduced the standard workweek to 39 hours and introduced a fifth week of paid vacation, while the other lowered the retirement age to 60.

The 1982 law allowed collective agreements negotiated at the sector or company level to deviate from the law if they were more favourable to employees (La-Croix.com, 2017). This change weakened the "favourability principle" established in 1936, as the 1982 legislation permitted companies to calculate working hours annually instead of weekly, contrary to the labour code's recommendation (La-Croix.com, 2017). This marked the first instance where, in limited and specific cases defined by law, a collective agreement could be less advantageous to employees than the labour code (La-Croix.com, 2017).

The Auroux Laws were extended in July 1996 by the Robien law, which aimed at reinforcing the prominence of firm level in negotiations (Tixier, 2007, p. 108). The law provided financial incentives for the signing of firm-level agreements (Tixier, 2007, p. 108). This indicates a continued trend towards the decentralisation of collective bargaining, incentivising companies to participate in these negotiations, potentially leading to more flexibility in labour arrangements and agreements tailored to the specific needs of each firm.

Additionally, a law enacted in November 1996 allowed (under specific conditions) for mandated employees designated by a trade union or employee delegate to negotiate agreements in companies that do not have a trade union section (Tixier, 2007, p. 108). This legal development was a significant

stride towards increasing the amount of workers that can engage in collective bargaining processes, granting designated employees the authority to represent the interests and concerns of the workforce, even when conventional union structures were absent within the organisation. This scenario can potentially result in situations where workers who have not received bargaining training and may lack the skills and experience in collective bargaining, find themselves negotiating with employers whose primary responsibility is to engage in such negotiations. As a consequence, this disparity in bargaining expertise can lead to a significant reduction in workers' bargaining power. The employer, being more adept at the negotiation process, could exploit this advantage, potentially leading to outcomes that are less favourable for the employees. The law also introduced the technique of derogatory agreement to substitute the law, on an experimental basis, with rules related to the elaboration of this particular source of labour law that are collective enterprise agreements. This means that, under certain conditions, collective agreements could deviate from legislative and regulatory provisions, providing more flexibility in shaping working conditions and employment relationships.

The law enacted on June 13, 1998, in France, known as the Aubry Law, aimed to reduce the legal weekly working time to 35 hours. The law was implemented in two stages: From January 1, 2000, it applied to companies with more than 20 employees and from January 1, 2002, it extended to companies with fewer than 20 employees. The law allowed for company and branch negotiations to determine the specific modalities of the reduction in working time. It also provided financial aid for companies that reduced their working time by 10% and hired additional staff equivalent to 6% of their workforce(Chronologie : les relations du travail depuis la loi Le Chapelier -1791 | vie-publique.fr, 2020). The law enacted on January 19, 2000, in France was aimed at reducing the negotiated duration of work. Here are the key points:

The law provided a one-year adaptation period for companies, during which overtime hours would be taxed less. It allowed for the annualisation of working hours, meaning that the total number of hours

worked could be calculated on an annual basis rather than a weekly or monthly basis(Chronologie : les relations du travail depuis la loi Le Chapelier -1791 | vie-publique.fr, 2020). Social charges on low and medium wages were reduced if an agreement was signed by majority trade unions in the company or ratified by a majority of employees(Chronologie : les relations du travail depuis la loi Le Chapelier - 1791 | vie-publique.fr, 2020). For 'cadres', the reduction in working time was made possible in days off. This marked the first time that the 'cadres' were treated separately in the labour code(Chronologie : les relations du travail depuis la loi Le Chapelier -1791 | vie-publique.fr, 2020). The annualisation of working hours provided more flexibility for companies and employees, allowing for variations in working hours across the year to meet business needs. The laws also encouraged firm level bargaining whereby employees would benefit from a lower working week in exchange for greater organisational flexibility (Amable, 2016, p. 537). The industrial relations reforms were instrumental in the adoption of working-time reduction, especially the mandating procedure as 70% of work-time agreements were signed by a mandated employee in 2001 (Howell, 2009, p. 245). Unsurprisingly, the employers and the CNPF were quite hostile to these reforms, especially given the wider context of financialisation and the pursuit of a neo-liberal model (Amable, 2016, p. 537). This led to the withdrawal of the CNPF from national-level bargaining (except on youth employment), and the privileging of firm-level bargaining to avoid the political 'influence' of the Left coalition, which included the communist party (Amable, 2016, p. 537). However, it can be argued that worktime reduction was both part of the left and right agendas (Howell, 2009, p. 244). High unemployment combined with the European Monetary Union (EMU) project meant that France could no longer set its own interest rates and exchange rate policies (Howell, 2009, p. 244). Therefore, work time reduction was one of the few policies at their disposal (Howell, 2009, p. 244). It can be argued to a certain extent that not only is this policy not incompatible with a neo-liberal agenda as it offers employers greater flexibility, it also is debatable the extent to which the left coalition was the driving force behind the CNPF's confrontational stance. Indeed, the CNPF also wished to bargain at the firm-level to take advantage from the favourability principle. The favourability principle follows the following hierarchy: Labour

laws prevail over industry-level agreements which themselves prevail over firm-level agreements (Amable, 2016, p. 537). This entails inferior text can only derogate to superior text if they are more favourable to employees (Amable, 2016, p. 537). However, what is favourable to employees is subjective, and the French labour laws failed to establish a clear definition of what is favourable to employees. Therefore, it was easy for employers to take advantage of this loophole by stripping employees from some of their 'rights' in exchange for marginal employment protection improvements (Amable, 2016, p. 538). In addition, by creating a disincentive to use overtime work, the 35-hour reform, employers had to adopt greater organisational policy (Howell, 2009, p. 246). Howell (2009, p. 246) argued that this is the price workers paid to enjoy a reduced working-week. There are also disparities amongst different types of workers as Hayden (2016, pp. 516–517) shows that unskilled, women and blue-collar workers are often unable to enjoy the working time reduction due to the increased working time flexibility.

#### *4.3.1.2 Evolving Dynamics of Collective Bargaining in French Labour Policy*

The increase in collective bargaining is a strategy to implement flexibilisation policies. This section looks in the ways that these laws are flexibilisation policies, and how they have increased collective bargaining.

The Interprofessional Agreement of March 21, 1989, was aimed at modernising companies in France ("Chronologie," 2020). The key points of this agreement were: The agreement sought to revive sector-level negotiations, particularly on working time, without any obligation to negotiate ("Chronologie," 2020). It also emphasised the importance of work time arrangements and counter-negotiations ("Chronologie," 2020). It reflected a shift towards more flexible work arrangements and a greater role for collective bargaining in shaping working conditions. Increasing competitiveness for a company and the ongoing adjustments this entails requires the active participation of workers due to the flexibility required in the practical aspects of production (Tixier,



2007, p. 111). As a result, engaging in company-level collective bargaining becomes nearly essential (Tixier, 2007, p. 111). However, the close interaction between the involved parties, particularly in a situation where union influence has faded, frequently enables company management to assert their perspective (Tixier, 2007, p. 112).

Today, companies often provide unions with information about the competitiveness conditions under which they operate (Tixier, 2007, p. 112). Such information, even if abundant, pertains to aspects that would have been considered strategic in the past, albeit in a situation characterised by significant resource inequality (Tixier, 2007, p. 112). Unions, despite having bolstered their expertise through Employee Committees (Comités d'Entreprises) since the 1982 laws, are facing dispersion a decline in their membership (Tixier, 2007, p. 112). During negotiations, unions can sometimes become constrained within the reasoning of management, which often has a better grasp of managerial issues, and may limit their demands (Tixier, 2007, p. 112). However, in the ongoing transformation of companies, their capacity to act has diminished, precisely at a time when the complexities of collective bargaining have increased (Tixier, 2007, p. 112). The described evolution coincides with a deregulation in the social sphere in France (Andolfatto and Labbé, 2006, p.5). Traditional labour and social laws are gradually being replaced by a more flexible framework, giving increased responsibility to social partners in various areas, including working time arrangements, individualised pay, qualification recognition, continuing education, and supplementary retirement plans (Andolfatto and Labbé, 2006, p.5). After 1995, major social reforms are extensively negotiated (although they are mostly discussed) with employers' and employees' organisations before being finalised by the government or even abandoned (Andolfatto and Labbé, 2006, p.6). This shift towards negotiated agreements has been especially prominent in the context of unemployment insurance, where the government initially disapproved of a reform but later accepted it after negotiations (Andolfatto and Labbé, 2006, p.5).

Howell (2009, p. 241) pointed out that union weakness was a challenge to negotiating flexibility at the firm level because of the lack of union representative. The logical next step after the Auroux laws was therefore to give power to an elected employee representative<sup>14</sup>, or a union mandated employee to sign firm-level agreements<sup>15</sup> (Howell, 2009, pp. 240–241). This first was signed in 1995 as a 3-year trial and later renewed in 1999 by the CNPF, CPME, CFDT, CFE-CGC and CFTC and was later ratified as part of the 2004 Fillon Law (Howell, 2009, pp. 240–242). Another important national agreement was signed in 2001 by all representative social partners except for the CGT. This was both an extension of the previous agreements but also introduced the ‘majority principle’ which stated that a firm-level agreement is valid if it fits one of these three criteria: 1. The agreement must be signed by unions that won a majority of votes in the last workplace election, or 2. In the case that there are no unions present at the firm, then the agreement must be approved in a referendum, or 3. The nonsignatory unions that gathered more than 50% of votes at the last elections do not oppose the agreement (Howell, 2009, pp. 241). Howell (2009, p. 241) argues that these complex rules reflect the problems faced by the introduction decentralised bargaining when there is a lack of ‘strong’ unions. However, Howell fails to address these reforms as a mechanism to further weaken unions and drive them out of the workplace. While Howell (2009) does address that these rules lead to ‘agreements’ unilaterally proposed by management that are not negotiated with workers, he does not analyse these shifts in the power balance between workers and managers.

Goyer and Hancké (2004, p. 185) analysed the French corporate governance transformation of the 1990s and pointed out that the absence of institutional forms of labour ‘influence’ at the firm level gave way for shareholder value practices to be brought forward within French firms. While the adoption of shareholder value is not incompatible with labour participation as is the case in Germany (Höpner, 2001), Goyer and Hancke (2004, p. 186) pointed out that the French labour movement, for most part, was reluctant and unable to cooperate with the firm and oftentimes blocked changes on

---

<sup>14</sup> Either a member of a works council or the employee delegate

<sup>15</sup> Note this is referred to as the ‘mandating procedure’

issues that needed to be negotiated. This led to 'top management' to take on initiatives that would marginalise labour in the 1980s and 1990s. Following the new labour relations that emerged in the 1980s, large exporting firms had successfully raised their profitability by the mid-1990s (Geyer and Hancké, 2004, p. 190).

The decentralisation process engendered a shift from quantitative to qualitative collective bargaining. Qualitative negotiation is based on open processes, such as the formation of working groups that rely on the involvement of stakeholders and moral or ethical dimensions (Tixier, 2007, p. 113). In contrast, quantitative negotiation was built on a system of clear and shared legal sanctions (Tixier, 2007, p. 113). Today, qualitative negotiation relies on recommendations, statements, and moral commitments, whereas quantitative negotiation was invariably accompanied by legally measurable obligations (Tixier, 2007, p. 113). All these changes significantly shift the role of unions (Tixier, 2007, p. 113). Employers possess substantial resources in terms of their ability to incorporate the multitude of data involved in these agreements, while unions, driven both by identity-related concerns and the defence of previous rule-based structures, have comparatively fewer means at their disposal (Tixier, 2007, p. 113). The power resource imbalances between unions and employers widens.

The increasing gap between the legally responsible employer and the decision-making centres concerning capital strengthens and constrains the scope and reach of collective bargaining (Freyssinet, 2005). This phenomenon has several notable implications for labour relations and collective bargaining: As the capital and financial decision-making powers within a company become more centralised, it limits the authority and influence of local and regional management and labour representatives. Decisions that significantly impact the workforce, such as mergers, acquisitions, or restructuring, are increasingly made at the corporate or global level, often without direct input from local management or labour unions. The shifting of decision-making to higher levels of authority can marginalise the role of local collective agreements. Issues that were traditionally addressed at the

local or regional level may now be governed by overarching corporate policies or decisions. This can limit the ability of local management and labour representatives to address specific, on-the-ground concerns.

#### 4.3.1.2.1 Derogating from the law

This increasing importance of collective bargaining can be attributed to the possibility of derogation from the law and the potential for specific advantages through agreements (Andolfatto and Labbé, 2006, p.7). French law allows collective agreements to deviate from legal standards or provide special benefits (Andolfatto and Labbé, 2006, p.7). This ability to deviate was introduced in the 1960s but became more effective in the 1980s, particularly with the reduction of the legal workweek to 35 hours (Andolfatto and Labbé, 2006, p.7). The two Aubry laws, which reduced the legal workweek to 35 hours, further incentivised negotiations by granting certain benefits to companies with agreements (Andolfatto and Labbé, 2006, p.7).

The concept of company-level collective bargaining, supported by legal provisions, is consistent with a flexibility-oriented approach (Salesina, 2012, p.14). This approach permits deviations from labour regulations while remaining within the bounds of the law, resembling a type of autonomous legislation at the enterprise level (Salesina, 2012, p.14). In practical terms, this means that at the company level, negotiations can lead to agreements that may deviate from higher-level, industry-wide, or national labour standards. This flexibility allows companies to tailor collective agreements to their specific needs and circumstances, potentially creating terms that are less advantageous to employees compared to the overarching legal standards. In essence, it empowers companies and their representatives to adapt labour regulations to their unique operational contexts, providing a mechanism for a more immediate and context-specific response to labour-related issues.

The 2004 Fillon law implemented the extensive use of derogatory agreements. In other words, collective conventions can derogate from national agreements, except in some areas such as the

minimum wage (Howell, 2009, pp. 242). This entails that industry or firm level agreements can be less favourable than national agreements (Howell, 2009, pp. 242). This shift in bargaining power towards employers had the potential to create disparities in labour conditions. This development favours a redistribution of power in favour of capital in shaping labour agreements to their advantage. For workers, these derogatory agreements could lead to a race to the bottom in terms of working conditions and compensation, as employers might seek to cut costs by reducing benefits or increasing workload expectations. In addition, employers they can disregard the clauses that inconvenience them and interpret others according to their own preferences, as they know they can avoid the involvement of labour inspectors, who are overwhelmed, or the courts, which are backlogged (Andolfatto and Labbé, 2006,p.9). The 2004 Fillon Law encountered resistance from the main employer organisation, MEDEF, primarily because it restricted the ability of employers to strike deals with weaker, less representative trade unions(Howell, 2009, pp. 242). As a result, the majority principle was implemented in a less robust manner. This weakened implementation of the majority principle had significant consequences. It allowed minority unions to maintain their influence and power, which had a dual impact. Firstly, it enhanced the autonomy of individual firms within the broader industrial relations system, making it easier for companies to make agreements without the need for strong union representation(Howell, 2009, pp. 242). Secondly, it led to a shift in worker representation, with a greater emphasis on non-union, firm-specific institutions and less reliance on traditional trade unions(Howell, 2009, pp. 242). This shift in worker representation away from trade unions to non-union, firm-specific bodies was a significant development. However, it failed to address the need for majority representation in cases where traditional unions existed. Furthermore, it created a situation where trade union responsibilities could be delegated to non-union employees in firms that lacked any union presence.

This situation is detrimental to workers, especially as those who have to carry out union responsibilities may lack the necessary training, skills, and expertise to do so effectively, further weakening the collective bargaining power of workers. It underscores the imbalance of power

between employers and employees, with employers having greater flexibility in negotiations, potentially at the expense of worker rights and powers. Howell (2009, p. 241) argues that the result was increased firm independence and a shift from union representation to non-union representation. This shift came about to palliate union weakness and gave employers and the state an interlocutor to negotiate flexibility with (Howell, 2009, pp. 242-243).

#### 4.3.1.2.2 The Role of The Role of the IRPs

The paradoxical nature of the reforms in the French system of labour relations is quite striking (Salesina, 2012, p.16). On one hand, labour unions and, more recently, elected IRPs (Institutions Representing Personnel), have been granted a major role, formally participating in decision-making within companies and thereby influencing Human Resource Management (GRH) (Salesina, 2012, p.16). This significant empowerment has occurred at a time when these entities appear to be least prepared to assume such responsibilities, given the challenges they are facing (Salesina, 2012, p.16). On the other hand, doubts persist regarding the effectiveness of collective negotiation as a tool for promoting social dialogue. These doubts are rooted in the disparities of power between various actors and in the longstanding tradition of social conflict, which is unlikely to be eradicated quickly (Salesina, 2012, p.16). In essence, these reforms have placed trade unions and IRPs in a pivotal role within the French labour relations system, even as questions remain about their ability to effectively facilitate social dialogue and manage the inherent power imbalances and historical tendencies toward conflict. One notable characteristic of the French labour relations system is the clear distinction in the roles and responsibilities of both union and non-union representatives (Salesina, 2012, p.21). While it is possible for both types of representatives to coexist in a workplace, the legal framework carefully outlines the specific functions of each (Salesina, 2012, p.21). Union delegates, for instance, hold a monopoly on representing employees in collective bargaining (Salesina, 2012, p.21). It was only with the law enacted on May 4, 2004, that elected worker representatives (IRP) were given a

supplementary role in participating in negotiations(Salesina, 2012, p.21). The exclusive role of union delegates in collective bargaining is not consistently adhered to, especially considering that union delegates often hold concurrent positions as employee representatives or members of the works council (Salesina, 2012, p.21). Despite the institutionalisation of rules and statuses, workplace labour relations largely depend on unique balances and informal practices, with local concerns often taking precedence(Salesina, 2012, p.21). This suggests that the practical application of labour relations can vary from the legally defined framework.

The role of company-level collective bargaining in France is paradoxical, considering the assumed weakness of the Employee Representative Bodies (IRP) (Salesina, 2012, p.22). The increase in the number of company-level collective agreements should be viewed in light of several factors, such as the proliferation of legal incentives, variations in different sectors and establishment sizes, the content and implementation of negotiated texts, and the symbolic dimension of refusing to participate in or sign an agreement(Salesina, 2012, p.22). The signing rates presented by trade unions raise questions about the imbalance of negotiation power among the actors and the ability of French unions to push negotiations toward concessions(Salesina, 2012, p.22). It is worth noting that the number of collective agreements increased significantly from around 2,000 per year in the early 1980s to over 20,000 per year in the mid-2000s, indicating a growing focus on company-level negotiations in France(Salesina, 2012, p.22).

The confusion and misunderstanding surrounding the roles of employee representatives in France stem from historical misallocation of responsibilities. The French Workers' Council (comité d'entreprise), originally responsible for both social and cultural activities and more substantial tasks, has seen its responsibilities expand over the years due to workforce thresholds (Dufour and Hege, 2006). Consequently, there is a significant electoral confusion where employees prioritise voting for individuals overseeing social and cultural activities, even when the associated budgets are meagre(Dufour and Hege, 2006). As a result, these elected representatives end up being burdened

with more substantial tasks, making it challenging to expect them to effectively handle negotiations(Dufour and Hege, 2006). The current division between union responsibility and elected responsibility in this context may not be entirely relevant(Dufour and Hege, 2006). However, transferring additional responsibilities to representatives elected for the multifaceted nature of the Workers' Council is likely to discourage potential representatives(Dufour and Hege, 2006).

The Health, Safety, and Working Conditions Committees (CHSCT) in France are highly technical committees that frequently engage the most committed employee representatives, and they foster or even inspire representative vocations(Dufour and Hege, 2006). Employers attach importance to them and acknowledge the value of confrontation, thereby reinforcing the quality of the delegates' engagement(Dufour and Hege, 2006).

There is a noticeable aging of these elected teams (Dufour and Hege, 2006). This aging indicates a generational shift, as it becomes challenging to find replacements or form complete and homogeneous teams (Dufour and Hege, 2006). To compensate for these shortages, there are often individuals who hold multiple positions and extend their terms(Dufour and Hege, 2006). Non-union candidates may also be added to officially union-affiliated lists(Dufour and Hege, 2006). These representatives and the union members around them often come from the older and numerically less dynamic categories of the workforce(Dufour and Hege, 2006). The union delegates themselves, though designated and often elected within a company's governing body, may not necessarily have frequent interactions with the union they represent(Dufour and Hege, 2006). In such circumstances, union members become even less essential when the elective structures provide material resources for operation and local validation(Dufour and Hege, 2006). The scarcity of union members complicates the process of succession and hinders the transition to new categories of employees(Dufour and Hege, 2006). This also means that reps become increasingly out of touch with the realities of work.

Non-union members receive around 22% of the votes in works council elections (against 76% for unionised ones), yet they make up nearly half of the elected representatives(Dufour and Hege, 2006).



They come from diverse sociological backgrounds and are primarily found in small businesses. Their practices within the IRPs distinguish them from union members, with whom they rarely have contact or compete (Dufour and Hege, 2006). They are more selective in taking on responsibilities, significantly less knowledgeable than union members, and have shorter tenures in representation, maintaining a unique relationship with it (Dufour and Hege, 2006). Non-union representatives view their role as a temporary individual opportunity within the company's structure, while traditional union members see representation as a collective project. The former do not feel responsible for the sustainability of the structures they work in, in contrast to the latter, who view their inability to maintain representation as a collective failure (Dufour and Hege, 2006).

#### *4.3.1.3 Concentration of Power in the Hands of Capital*

Since the mid-1980s, negotiations have primarily revolved around implementing reforms initiated by employers and governments (Giraud, 2015, p.307). These reforms aimed to adapt the French social model to reduce the labour costs and liberalise the labour market (Giraud, 2015, p.307). These economic policies accelerated in response to the economic and financial crisis of 2008 (Giraud, 2015, p.307). While negotiations were once associated with social progress, today, they seem to place greater constraints on unions (Giraud, 2015, p.307). Even when unions occasionally secured the recognition or extension of certain social rights (such as individual training rights or rechargeable unemployment benefits), their ability to influence the outcome of negotiations appears severely limited (Giraud, 2015, p.307). Union representatives find themselves in a significant contradiction (Giraud, 2015, p.307). They are increasingly engaged in negotiation procedures that consume most of their activity, yet they have little control over the negotiation agenda and often struggle to influence the outcomes (Giraud, 2015, p.307). This situation is further complicated by the overall weakness of union membership, which stands at a low 8% (Giraud, 2015, p.307). This

underscores the challenges faced by unions in the current labour landscape, where their role in negotiations appears less influential, despite their heightened involvement in the process.

Shareholder power takes precedence over managerial authority(Groux, 2012, p.54). Beyond this, and as is well-known, the shareholder's demands for "return on investment" often critically shape the content of wage policies and the outcomes of collective agreements reached by company management and trade unions after the fact(Groux, 2012, p.54). In this context, negotiations involving various stakeholders, including corporate management, exhibit two significant characteristics(Groux, 2012, p.55). First, these negotiations are typically bilateral and often involve multiple instances, particularly in large corporations(Groux, 2012, p.55). Second, these negotiations enforce profitability criteria, production standards, safety investments, and local investments that affect profit margins and shape the company's employee redistribution policies(Groux, 2012, p.55).

At the national and branch levels, unions often have a limited role in negotiations, with employers setting the agenda and content, while union federations may not fully understand the problems and aspirations of the employees they represent(Andolfatto and Labbé, 2006,p.7). Division among unions exacerbates this issue(Andolfatto and Labbé, 2006,p.7). In the past, employers have typically found one or two allied organisations among the five "representative" unions to work with and bypass the opposition of others(Andolfatto and Labbé, 2006,p.7). At the company level, the situation varies, but the financial and material dependence of union representatives may tilt negotiations in favour of employers(Andolfatto and Labbé, 2006,p.7).

#### 4.3.2 Fragmentation of the Workforce and Collective Bargaining

Collective bargaining occurs at multiple levels - industry or branch level, enterprise level, and sometimes even at a local level. This multi-tiered structure can lead to complexities and potential conflicts, as agreements made at one level may not align with those at another. Coordinating between these levels can be challenging, and it may lead to less harmonised labour relations.

The structure of worker representation in France remains complex and formal, consisting of three layers: national trade unions, sector-level representation, and firm-level representation (larger firms may have multiple committees) (Colson, Elgoibar and Marchi, 2015, p.7). This structure can lead to tensions, where representatives may not align with their hierarchy in the national trade union and their constituents in the company (Colson, Elgoibar and Marchi, 2015, p.7). Disagreements between higher and lower levels can occur, sometimes causing agreements reached within a company to be blocked at the national level due to a lack of understanding of the company's specific issues (Colson, Elgoibar and Marchi, 2015, p.7).

Within the same concrete collective, it is not uncommon to find employees from different companies or subsidiaries of the same group, each subject to different collective bargaining agreements (Tixier, 2007, p. 109). Many large companies operate multiple subsidiaries or divisions, each with its own set of collective agreements. These subsidiaries may have distinct operations, functions, or even geographic locations. Consequently, employees working within the same broader organisational entity may be subject to different rules, benefits, and conditions outlined in their respective collective bargaining agreements. This diversity in collective agreements within a single collective creates challenges for labour.

The transformation of the relations of production has led to a pluralisation of production realms and an increased fragmentation of the workforce. This transition has seen a shift from traditionally integrated companies characterised by mass production to networked businesses or corporate groups composed of profit centres connected to numerous subcontractors (Tixier, 2007, p. 110). Simultaneously, it has brought about a diversification of workers' employment statuses (Tixier, 2007, p. 110). In the past, there was a more standardised employment model. Today, workers find themselves in a variety of work arrangements, including full-time employees, part-time workers, freelancers, and temporary staff. This diversification of employment statuses reflects the changing

nature of work and the evolving needs of both companies and workers in the modern economy. This implies that the traditional scope of collective bargaining is inevitably narrowed (Tixier, 2007, p. 111). The traditional company-level agreements no longer encompass the entire workforce as they did when companies were more self-contained entities (Tixier, 2007, p. 111). At one end of the spectrum, certain groups of employees, such as subcontractors, those in precarious social situations, or temporary workers, are excluded from the scope of company-level negotiations (Tixier, 2007, p. 111). At the opposite end, highly skilled workers with expertise that extends beyond their specific organisation are also beyond the scope of collective bargaining (Tixier, 2007, p. 111). The growing variety of job statuses and the rise in temporary and fixed-term employment contracts have fragmented the area traditionally addressed by collective negotiations (Tixier, 2007, p. 111). Furthermore, the implementation of human resource management approaches that tailor career trajectories to individual employees also plays a role in this transformation (Tixier, 2007, p. 111). The transformation of the company structure makes it harder to organise collective actions because workers have different job statuses and, consequently, varied interests (Tixier, 2007, p. 111). The issues negotiated in collective agreements have become increasingly diverse and complex. While traditional agreements often focused on quantitative factors like wages and working hours, modern negotiations encompass qualitative factors such as work-life balance, employee well-being, and non-traditional labour arrangements. This expansion of topics requires greater expertise and adaptability from both employers and unions.

Unions struggle to understand the needs of these different worker groups, which do not align with the traditional categories they represent (Tixier, 2007, p. 111). As a result, it is challenging to incorporate these new worker categories into the union's agenda, which still revolves around defending the old model of work (Tixier, 2007, p. 111). Differences in job statuses and work identities complicate union work and make it less effective, despite the well-intentioned efforts of various union confederations to address these issues. It's also evident that when unions act at the local establishment level, they tend to specialise in advocating for specific categories of workers, regardless of their stated ideological

affiliations. This reflects a historical trait of French unionism – its division – which limits their ability to negotiate on behalf of a more diverse workforce (Tixier, 2007, p. 111). The different job statuses and work identities make union activities more challenging and less effective, even though unions are trying to address these issues (Tixier, 2007, p. 111). Additionally, when unions operate at the local level, they often focus on advocating for specific worker categories, rather than taking a more comprehensive approach (Tixier, 2007, p. 111). Unions tend to specialise in advocating for specific categories of workers (Tixier, 2007, p. 111). This reflects a historical division within French unionism, which hinders their ability to negotiate for a more heterogeneous workforce (Tixier, 2007, p. 111).

The Auroux Laws were shaped by the modernist approach of the CFDT, which championed the concept of a contractual partnership between labour unions and management, founded on principles of social dialogue and mutual compromises (Moss, 1988). In contrast, this perspective clashed with the class struggle ideology of the CGT, which staunchly defended the rights and interests of workers in opposition to those of capital (Moss, 1988). Consequently, these laws leaned towards a more moderate and collaborative form of trade unionism that aligned more closely with the interests of employers and the state. The laws did not establish a system of mutually binding collective bargaining, as seen in other Western countries (Moss, 1988). Instead, they established a system of unilateral consultation where employers had the final authority on matters such as wages, working conditions, and restructuring (Moss, 1988). This could be seen as giving employers significant power without the need to engage in genuine negotiations or compromises with workers. The laws did not provide material incentives for cooperation between labour and management, such as productivity gains or social benefits (Moss, 1988). The result was that employers could use the laws to impose their decisions on workers, without having to negotiate or compromise. The laws redirected the emphasis from labour relations at the industry level to the firm level, where trade unions typically exhibit reduced strength and greater fragmentation (Moss, 1988). This shift diminished the capacity of

workers to engage in collective actions and withstand pressures from employers. Additionally, the laws promoted individualisation and competition among workers through the introduction of innovative work organisation methods, including group work, quality circles, and performance-related pay. These work structures tended to isolate employees from one another and increase their reliance on evaluations by management.

#### 4.4 Conclusion

The exploration of France's unique journey through the landscape of flexibilisation policies, collective bargaining, and union dynamics offers a compelling narrative of socio-historical transformation and strategic adaptation. This study has delved into the evolution of labour relations in France, marked by pivotal legislative changes, the ebb and flow of union power, and the ongoing negotiations between capital and labour. The intricate interplay of historical events, political ideologies, and economic imperatives paints a vivid picture of the French labour market's distinctive path. Central to this narrative is the paradox of high collective bargaining coverage juxtaposed against low union density. Flexibilisation policies, emerging as responses to the profitability crisis of the 1970s and the shifting paradigms in global capitalism, were tailored to the French context, where a strong labour movement and a history of social unrest demanded a more negotiated approach.

The Auroux Laws of 1982, the Aubry Laws, and subsequent reforms symbolise significant shifts towards decentralisation and flexibility in labour relations. These legislative milestones reflect attempts to adapt to the changing economic landscape while respecting the historical strength of the labour movement. However, they also highlight the gradual erosion of traditional labour protections and the increasing power of capital in shaping labour agreements. The resulting landscape is one where collective bargaining is more localised, often to the advantage of employers, and where unions face challenges in representing a diverse and fragmented workforce. This transformation of labour relations in France is also a story of strategic adaptation by unions and workers. Faced with a decline

in traditional union power and the rise of individualised labour relations, unions have had to navigate a terrain where their influence is increasingly contested and their traditional modes of operation are less effective. The role of non-union representatives, the impact of neoliberal policies, and the shifting dynamics of workplace negotiations underscore the complexities of modern labour relations.

In conclusion, the French experience with flexibilisation policies and collective bargaining presents a unique case study in the global context. It reveals the tensions and challenges inherent in adapting labour policies to changing economic conditions while respecting historical legacies and social dynamics. The French case offers valuable insights into the possibilities and pitfalls of negotiating labour standards in an era of global capitalism, highlighting the critical role of historical context, political negotiation, and strategic adaptation in shaping labour relations.

## 5 How has Flexibilisation Manifested in France?

This chapter undertakes a detailed exploration into the specific manifestations of labour market flexibilisation in France, contextualised within the framework of neoliberal labour market policies rooted in the 1970s profitability crisis. Originating as responses to the evolving socio-economic landscape, these policies aimed to address the burgeoning workers' class consciousness, notably exemplified by the May 1968 protests in France. The underlying rationale for flexibilisation policies lies in the imperative to adapt to dynamic social and economic conditions, where capitalists strategically embraced these measures to retain control in the face of heightened worker demands for improved conditions, higher wages, and expanded rights.

The implementation of flexibilisation policies exhibits notable diversity across countries, with France's distinctive approach highlighted, characterised by high collective bargaining coverage and low union density. This divergence underscores the influence of unique socio-economic and political contexts on policy formulation, emphasising the non-uniform nature of flexibilisation measures globally. A critical aspect of this exploration is the imperative to understand how these policies manifest differently in various countries, thereby facilitating a nuanced comprehension of their implications on labour relations, class dynamics, and the broader capitalist system.

Additionally, this chapter delves into macro-level data concerning unions, collective bargaining, and material conditions, providing a comprehensive analysis of both inter and intra-class relations. The overarching goal of these flexibilisation policies is to shift the balance of power from labour to capital, ultimately aiming to foster increased capital accumulation. By breaking down organised groups of workers and transforming them into isolated individuals, these policies weaken collective action and solidarity among workers, creating challenges for them to negotiate collectively.

The subsequent sections of this chapter focus on the expansion of collective bargaining in France, leveraging the decline in union density and the weakening of radical unions, such as the CGT. This strategic approach enables negotiations for flexibility at the firm level with minimal opposition.



Furthermore, the chapter examines working time laws and working conditions as illustrative examples of how flexibilisation policies are implemented under the guise of measures ostensibly beneficial for workers, shedding light on the intricacies of their impact on the labour market landscape in France.

## 5.1 Data Collection and Methods

The data utilised in this chapter is sourced from publicly accessible information provided by the INSEE (Institut National de la Statistique et des Études Économiques), DARES (Direction de l'Animation de la Recherche, des Études et des Statistiques), and OECD databases, as well as from datasets compiled by *academic* researchers. Due to the nature of this research, which necessitates long-term time series data, several challenges were encountered. Notably, such extensive time series data are exceedingly difficult to locate. This scarcity has constrained the breadth of data available for analysis, presenting a significant limitation in conducting comprehensive regression analyses, as the datasets for different variables often cover disparate time periods. The methodologies employed in the collection of these datasets are detailed within the respective data sources. The following is a concise overview of the datasets that have been instrumental in this chapter's analysis:

### 5.1.1 REPOSE

The REPOSE survey, carried out every six years and last conducted in 2005, aims to examine the dynamics of professional relationships within French establishments. It focuses on aspects such as personnel representation, negotiation processes, collective agreements, and the social climate in workplaces. The survey gathers data from management, employee representatives, and employees, providing a comprehensive view of labour relations and workplace dynamics in France (DARES, 2007).

### 5.1.2 Acemo Survey

The Acemo Survey, conducted in France since 1978 and now occurring every three years, aims to comprehensively understand the organization and work conditions in the country. It covers a wide range of factors, including work schedules, rhythms, physical and psychosocial constraints, and the overall work environment. This survey is part of a series of Work Conditions surveys, with a focus on psychosocial risks alternating every three years with a more detailed examination of work conditions. The survey's design adheres to expert recommendations for statistically monitoring psychosocial risks at work.

Comprising two components, the "Individual" part delves into aspects like current professional activity, time management, work organisation, physical constraints, psychosocial stressors, health status, and personal and professional pathways. The "Employer" component, which varies based on the type of establishment, covers general characteristics, workforce management, organizational devices, IT and communication technology use, health and safety management, and employee representation.

This survey, providing a longitudinal perspective on work conditions in France, has been ongoing since 1978. Its substantial sample size allows for detailed analysis across socio-professional categories and sectors. Notably, in the 2016 edition, all respondents, even those no longer employed, were re-interviewed to facilitate an examination of individual trajectories.

Data collection methods included face-to-face interviews by INSEE for the "Individual" component, featuring self-administered sensitive questions using audio headsets. The "Employer" component was conducted by IPSOS-Observer through postal surveys, with an online response option available for establishment directors or HR managers.

### 5.1.3 Working Conditions survey: Dares-Drees-DGAFP-Insee

The French Working Conditions survey is a collaborative effort involving several key national agencies. This survey, in existence since 1978 and conducted every three years since 2013, aims to collect comprehensive information about work's nature, organization, and working conditions. It covers various aspects, including work schedules, physical demands, risks, work structure, and psychosocial factors, providing a holistic view of working conditions in France. The survey consists of two main components: the "Individual" segment, which explores topics like current professional activity, work schedules, physical and psychosocial constraints, health status, and personal and professional paths, and the "Employer" segment, adapted to different establishment types and focusing on workforce management, work organization, technology use, health and safety, and employee representation. Data collection involved face-to-face interviews by Insee for the "Individual" component, including self-administered sections for sensitive questions, and postal surveys with online options for the "Employer" component, conducted by IPSOS-Observer.

### 5.1.4 Socio-Professional Categories

The 'cadres' and higher intellectual professions socioprofessional category in France encompasses a diverse array of professions characterised by high levels of education and expertise, spanning several distinct groups. This includes scientific professionals, who leverage their deep knowledge in the exact or human sciences in fields like research, teaching, or health. It also covers professionals in information and the arts, engaging in activities tied to arts and media. The category further comprises administrative and commercial executives, who are responsible for significant managerial roles in company management. Additionally, it includes engineers and technical executives, noted for their roles that demand profound scientific knowledge and are crucial to various sectors' functioning and advancement. This classification, part of a broader system used for coding census and survey data in

France, helps organise professions into groups with similar qualifications, responsibilities, and employment status, reflecting a high socio-professional standing.

The Intermediate professions, predominantly includes individuals whose professional status lies midway between 'cadres' and execution agents, such as manual workers and employees. Significantly, this category also comprises professionals from key sectors like education, health, and social work. Delineating further, the Intermediate occupations category encapsulates a broad spectrum of professions. This includes technical and associate professionals who possess expertise exceeding that of clerical roles but lack the advanced qualifications of senior executives. Education professionals, such as primary and secondary school teachers, form a crucial part of this group, contributing significantly to student development. Health professionals, including nurses, offer indispensable medical services to communities. Social workers, another integral component of this category, endeavour to enhance community well-being through various social programs and interventions.

The socio-professional category of 'employees' in France represents a diverse workforce segment, encompassing a variety of professions that defy a singular definition. This category includes roles such as secretaries, office workers, salespeople, hospital staff, firefighters, and domestic workers, each with distinct responsibilities and work environments.

The socio-professional category of 'manual workers', encompasses a broad spectrum of active workers engaged in executing functions across various fields, including industry and crafts. In France, this category is further delineated by the French National Institute of Statistics and Economic Studies (Insee) into two principal subsets: "qualified workers" and "unqualified workers," with the addition of the "agricultural workers" subcategory.

Qualified workers within this category are those who have undergone specific training and possess recognised skills or qualifications pertinent to their trade. These individuals typically engage in technical roles that demand a certain level of expertise and proficiency. In contrast, unqualified workers are those lacking formal qualifications or specialised training. Their roles usually involve

routine tasks that do not necessitate specialised skills or knowledge. Additionally, agricultural workers form a crucial part of this category, involving themselves in farming, livestock rearing, and other related agricultural activities, ranging from crop cultivation to the management of farm animals.

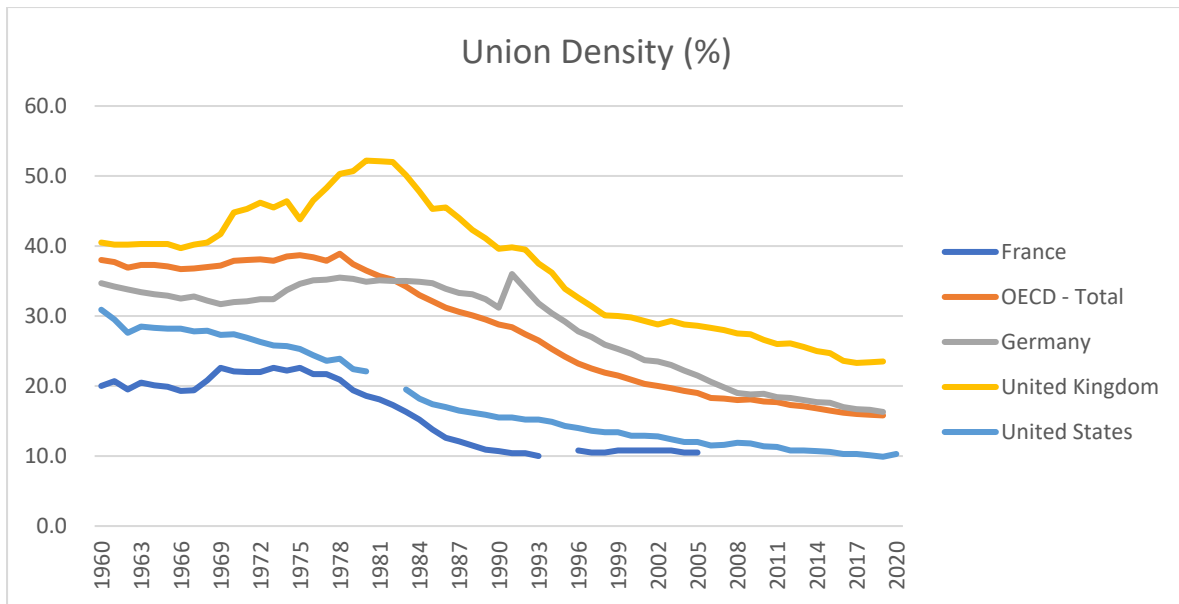
## 5.2 Trade Unionism: Trends and Data Analysis

### 5.2.1 Union Decline and Paradoxes: A Comprehensive Analysis of Trends and Dynamics in France

The graphical representation depicting the diminishing trend in union density across OECD countries and prominent Western economies serves as a pivotal starting point for a thorough and nuanced examination of the intricate dynamics characterising trade unions. The visual manifestation of this decline invites a closer inspection into the multifaceted factors and underlying influences shaping the trajectory of union membership. This exploration is crucial for unravelling the intricate interplay between socio-economic dynamics and policy frameworks that contribute to the observed patterns.

Despite the diversity of economic and political landscapes within the OECD countries and major Western economies, the graph reveals a consistent and unmistakable downward trajectory in union density. At the core of this trend lies the pervasive influence of neoliberal policies, which have fundamentally reshaped the landscape of labour markets and industrial relations. The influence of neoliberal ideologies, characterised by an emphasis on free-market principles, deregulation, and limited state intervention, is evident in the systematic erosion of union density. The graph encapsulates this overarching narrative, illustrating how these neoliberal policies have permeated and shaped the labour landscape.

Figure 5.1: Union Density (%)

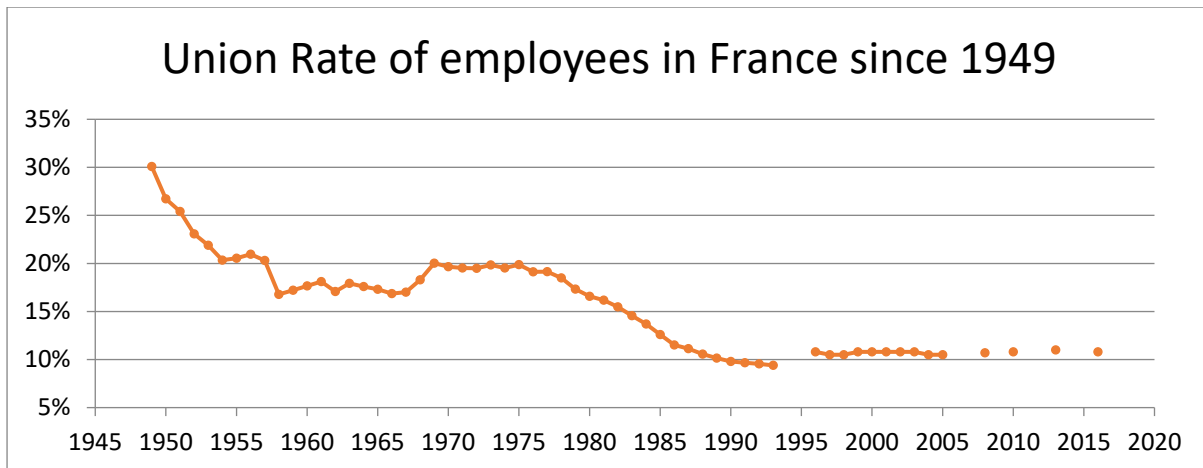


Source: OECD

In examining trade union data, it is crucial to acknowledge the inherent estimation nature of the provided figures, contributing to variations across sources. Nevertheless, despite these discrepancies, a consistent and discernible trend persists across all datasets. This observation underscores the robustness of the identified pattern, transcending the specific numerical variations associated with each source.

The recognition of data estimations as a commonality among diverse sources serves as a reminder of the challenges inherent in precisely quantifying union-related metrics. Various methodologies and data collection techniques contribute to nuanced differences in reported figures. Despite these methodological disparities, the overarching trend remains a reliable point of convergence, emphasising the reliability of the broader narrative unfolding within the realm of trade union dynamics.

Figure 5.2: Union Rate of employees in France since 1949



Source: DARES

Field: the entirety of employees aged 15 and above - Metropolitan France

Sources: From 1949 to 1993, estimations based on the number of union contributions (D. Andolfatto, D. Labbé (2007), *Les syndiqués en France*, Editions Liaisons.)

Between 1996 and 2005, DARES retrojections on EPCV survey data (Insee)

In 2008 and 2010, DARES estimations based on SRCV survey data (Insee)

In 2013 and 2016, DARES calculation from CT 2013 and RPS-CT 2016 surveys (Dares-DGAFP-Drees-Insee)

The decline in union density in France, while significant, is noteworthy for its distinct character, having occurred organically rather than through deliberate repression methods or direct policies aimed explicitly at reducing union membership. This decline is emblematic of broader shifts in the labour landscape, particularly under the influence of neoliberal flexibilisation policies, not unique to France but reflective of a global trend. In contrast to instances where union density reduction might be driven by explicit anti-union measures, the French experience indicates a more natural evolution. Policies that extend collective bargaining and grant increased empowerment to non-unionised workers have played a crucial role in reshaping the dynamics of union participation. Moreover, the unique nature of French labour law, allowing individuals to participate in strikes without formal union affiliation, dilutes the traditional advantages associated with union membership. As a result, individuals can engage in collective action without being formally unionised, altering the traditional power dynamics within the labour market.

The interplay of these factors is further exacerbated by the decline of traditionally unionised industries and the corresponding decrease in the number of workers in sectors such as the public sector and manual labour. The confluence of these trends contributes to an overall reduction in union density, not solely confined to France but reflective of a broader global phenomenon. The reduction in union density has tangible implications for the power and capabilities of trade unions. Lower union density translates into diminished organisational and financial resources, constraining the ability to mobilise and advocate effectively for workers' rights.

In practical terms, reduced union density limits the capacity for unions to negotiate favourable terms in collective bargaining agreements. With fewer members, unions face challenges in exerting influence over workplace policies, wages, and working conditions. Financially, a decline in membership translates into diminished resources for organising campaigns, advocacy efforts, and legal representation. This reduction in resources further curtails the ability of unions to engage in meaningful collective action and limits their influence within the broader socio-economic and political spheres. Additionally, the impact of decreased union density extends beyond the immediate workplace dynamics. Unions, with fewer members, may struggle to effectively serve as an intermediary between workers and stakeholders.

The decrease in union density in France, driven by organic shifts and influenced by flexibilisation policies, underscores the evolving nature of labour relation, affecting the power, capabilities, and influence of trade unions, with theoretical frameworks offering valuable perspectives on the intricate dynamics at play.

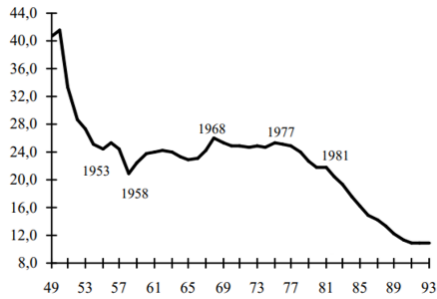
#### *5.2.1.1 Decline in Unionisation*

Collecting accurate data on union density presents inherent challenges due to the dynamic nature of labour relations. Notably, Andolfatto and Labbé's (1995, 2006) extensive work provides estimations that are considered the most reliable in this field. While specific details of their methodology are



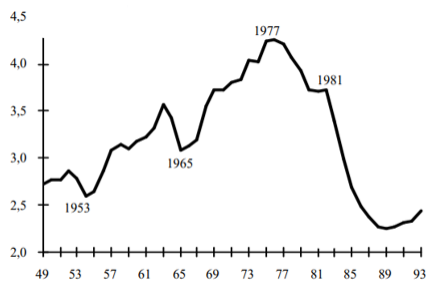
available in their research, their estimations offer valuable insights into historical trends and patterns. Acknowledging the complexities of data collection, reliance on Andolfatto and Labbé's work becomes crucial for a nuanced understanding of union dynamics, providing a solid foundation for informed discussions on labour relations.

Figure 5.3: Union Rate in France



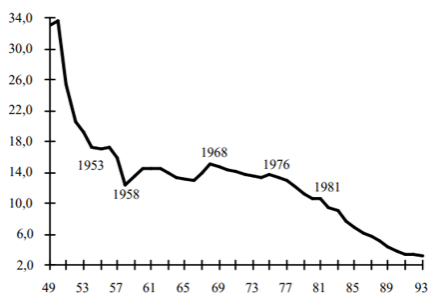
Source: (Labbé, 1995, p. 28)

Figure 5.4: CFDT Union Rate



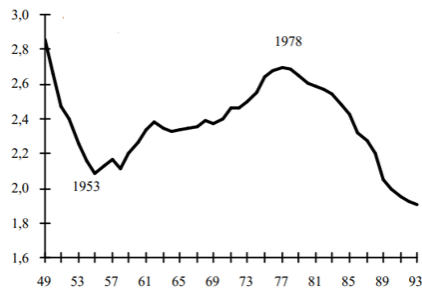
Source: (Labbé, 1995, p. 28)

Figure 5.5: CGT Union Rate



Source: (Labbé, 1995, p. 28)

Figure 5.6: FO Union Rate



Source: (Labbé, 1995, p. 28)

In the post-war years of 1946-47, over 5 million workers, nearly half of the workforce, were union members(Labbé, 1995, p. 27). The CGT alone had more than 4 million members, a figure comparable to the pre-war era of 1936-38(Labbé, 1995, p. 27). However, from 1948 to 1958, the unionisation rate dropped by half, at a pace similar to the decline observed between 1977 and 1986(Labbé, 1995, p. 27). This decline, though rapid, seemed different from the earlier period of 1921-1935(Labbé, 1995, p. 27). After the Liberation, unions gained a stronger foothold in the workforce, supported by representative trade unions, works councils, and improved legal protection (Labbé, 1995, p. 27). Despite the decline, union activity remained substantial, foundational units persisted, and numerous activist cores remained engaged(Labbé, 1995, p. 27). By 1958, when the decline stabilised, unionism had weakened but maintained a solid presence in the workforce, likely setting the stage for the subsequent phase(Labbé, 1995, p. 27).

From 1959 to 1977, France witnessed a stable unionisation rate of approximately 23 to 25%. Despite this apparent stability, significant changes were occurring(Labbé, 1995, p. 29). The balance among confederations shifted gradually, favouring the CFDT and FO at the expense of the CGT(Labbé, 1995, p. 29). Simultaneously, rapid economic growth resulted in unprecedented job creation(Labbé, 1995, p. 29). The stability and occasional slight increases in the unionisation rate suggested that unions were gaining new members at a pace matching economic growth, manifesting in the relative youthfulness of congress delegates and rejuvenation of leadership in the CGT and CFDT(Labbé, 1995, p. 29).

Since the late 1970s, a notable reversal occurred in 1977-78, marked by a decline in unionisation across most economic sectors(Labbé, 1995, p. 30). The rate of decrease was relatively consistent, interrupted only by a slight plateau in 1981-82(Labbé, 1995, p. 30). Excluding this pause, the decline was continuous and affected all organisations, economic sectors, and professions(Labbé, 1995, p. 30). Two periods, 1978-1980 and 1983-86, saw a virtual collapse in unionisation(Labbé, 1995, p. 30). During the relatively prosperous years of 1977-1978, unions began losing members. This divergence between unionism and public opinion is attributed to unions rejecting austerity, while part of the public likely recognised the enduring changes in economic data, signifying a prolonged crisis(Labbé, 1995, p. 30). The transformation of union practices throughout the 1970s is noted, contributing to the decline in the ability of unions to attract new members(Labbé, 1995, p. 30). From the fall of 1977, the social and political circumstances brought to light this latent crisis in unionism(Labbé, 1995, p. 30).

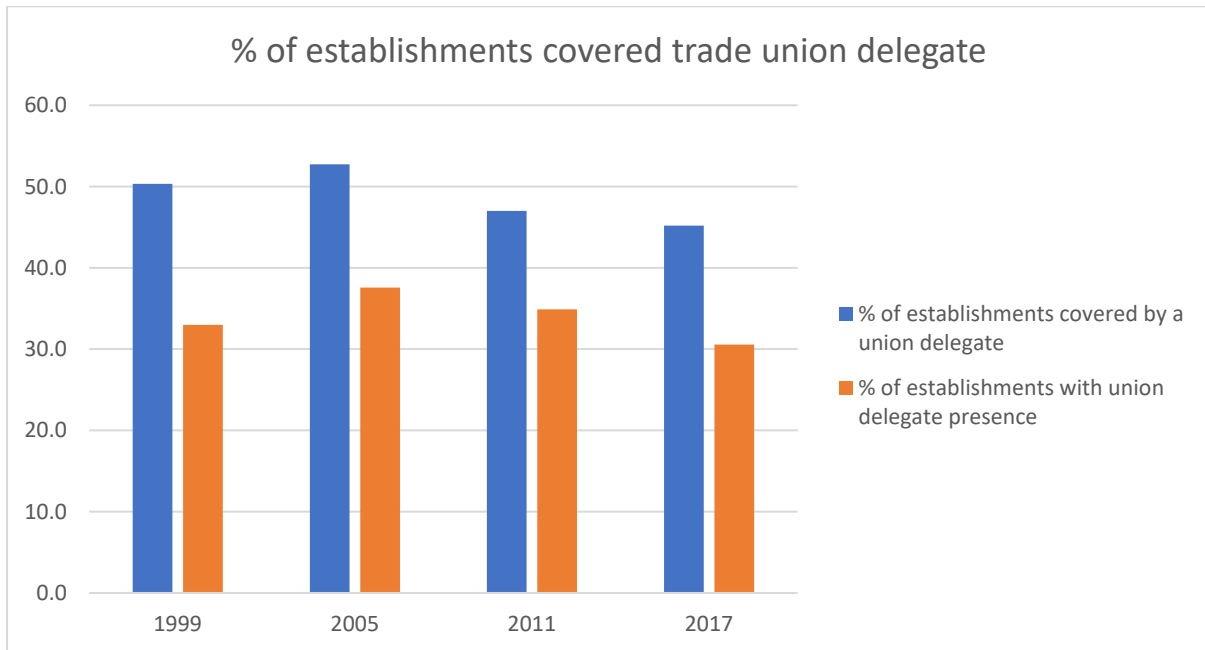
#### *5.2.1.2 Union Delegate Presence*

The decrease in union density in France has not eliminated the significant presence of unions, as nearly half of French firms remain covered by a union(DARES, 2007). The legal framework for employee representation encompasses various types of representatives, including elected employee delegates, members of the works council, and union delegates designated by representative trade unions. Trade unions establish their representativity through criteria such as independence, influence, membership numbers, or contributions(DARES, 2007).

Elected representatives undergo mandatory elections once a certain size threshold is reached, and in smaller companies, a single employee delegation may be established(DARES, 2007). Representatives can be elected on union or non-union lists, with elections organised by representative trade unions. Designated representatives include union delegates, appointed by representative unions in companies with 50 or more employees(DARES, 2007). The primary function of union delegates is negotiation with management, particularly during mandatory annual negotiations(DARES, 2007).

Since the law of May 4, 2004, companies without a union delegate can enter into agreements with elected employee representatives or, failing that, with employees mandated for this purpose, subject to stipulation in a sector-wide agreement(DARES, 2007).

Figure 5.7: % of establishments covered trade union delegate



Source: (DARES, 2017), REPONSE Survey

The intensification of negotiations at the company level, particularly during the reduction of working hours, has facilitated the establishment of representative institutions for employees, notably the designation of union delegates(DARES, 2007). The practices and modes of engagement of employee representatives appear more varied for those who are unionised(DARES, 2007). Despite the increasing presence of unions in companies, employees are not more unionised, despite their often positive opinion of trade unions(DARES, 2007). This paradoxical situation is observed in a context where all instances of employee representation are developing, whether designated or elected(DARES, 2007). This insight is drawn from the 2004-2005 Workplace Relations and Negotiations survey (REPONSE), which provides a snapshot of the social situation in French companies. The survey, conducted in 3,000 establishments, juxtaposes the perspectives of actors by interviewing a management representative, a personnel representative (if available), and a sample of employees.

Workers can be represented by a union even if they are not members. This aspect of labour law allows all employees to benefit from the collective bargaining agreements negotiated by unions, regardless of their membership status. While this ensures that non-union workers are not left without representation, it simultaneously creates a situation where individuals may not feel compelled to join the union. The reasoning is straightforward: if one can reap the benefits of union negotiations without bearing any costs (like dues), why join?

The decline in union membership has direct financial implications. Fewer members mean less income from dues, which are a primary source of funding for unions. This reduced financial capacity limits what unions can do. For example, their ability to organise campaigns, provide legal assistance, and engage in extensive collective bargaining is diminished. This weakening of financial and organisational strength can, in turn, reduce the effectiveness of unions in advocating for workers' rights and benefits. In firms without a designated union delegate, workers can still be represented by a union. However, this situation might lead to agreements that do not fully reflect the specific needs or concerns of the workers in that particular company. Union representatives, who are not directly engaged with the workers of a specific firm, may negotiate terms based more on broader union policies rather than the unique conditions of the firm's workforce. The paradoxical situation is that, while a significant number of firms are still covered by unions, the actual power and influence of these unions are in decline. This is largely due to the lack of incentive for workers to join. With nearly half of the firms covered, workers have easy access to union representation when needed. However, without active participation and membership, the union's leverage and ability to represent workers effectively diminish. The current scenario creates an illusion of representation. Workers are technically represented by unions, but as these unions have less financial power and potentially less insight into each firm's specific context, the quality of this representation might be compromised. Furthermore, since union representatives may not be directly accountable to the workforce they represent, there's a risk that the agreements they negotiate do not fully align with the workers' interests. This disconnect can lead to a situation where

the presence of union representation does not necessarily equate to meaningful advocacy for employee interests.

## 5.2.2 Union Presence per sector

Table 5.1: Establishments covered by a trade union delegate (%)

Activity Sector	1999		2005		2011		2017	
	Covered Establishments	Presence	Covered Establishments	Presence	Covered Establishments	Presence	Covered Establishments	Presence
1 Industry	49.00%	40.30%	54.70%	47.60%	51.00%	46.10%	44.70%	37.10%
2 Construction	36.10%	22.60%	31.80%	25.30%	26.00%	17.30%	31.70%	20.60%
3 Commerce and automobile repair	42.50%	18.70%	46.80%	25.00%	47.10%	29.50%	41.30%	22.00%
4 Transport and storage	60.70%	41.20%	56.60%	39.50%	53.20%	43.70%	56.00%	42.10%
5 Accommodation and food services	57.70%	21.50%	62.90%	27.40%	39.00%	17.30%	41.10%	22.40%
6 Finance and insurance	80.40%	56.20%	83.80%	67.70%	68.60%	55.20%	69.30%	57.30%
7 Education, health, and social services	60.00%	40.90%	65.70%	48.90%	56.70%	39.40%	55.50%	33.10%
8 Other services	49.70%	32.00%	50.50%	34.90%	39.90%	30.60%	39.60%	28.90%

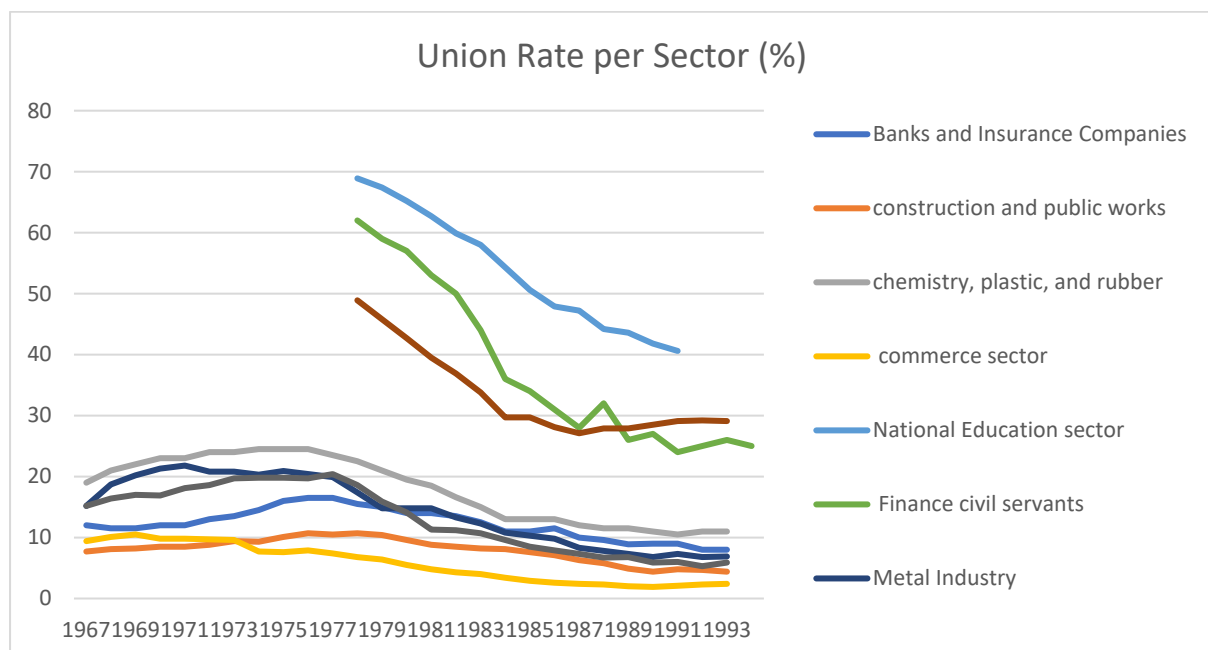
Source: REPNSE Surveys 1999, 2005, 2011, and 2017 (Dares) – RD Component

Scope: Establishments with 20 or more employees in the commercial and non-profit sectors (excluding agriculture) - Metropolitan France

The trends in union presence across various sectors, as highlighted by the data, offer valuable insights into the dynamics of unionisation in different areas of the workforce. The "Finance and Insurance" sector stands out for its consistently high levels of union presence throughout the years. This could be attributed to several factors. Workers in finance and insurance are typically more skilled and may have a greater awareness of the benefits of union representation. Additionally, the nature of work in this sector, which often includes regularised employment and a stable workforce, may lend itself more easily to effective unionisation. This sector's resilience in maintaining high union presence might also reflect stronger collective bargaining agreements and a possibly more favourable attitude toward unions among both employees and employers in this field. Sectors such as "Construction," "Commerce and automobile repair," and "Accommodation and food services" have seen significant declines in

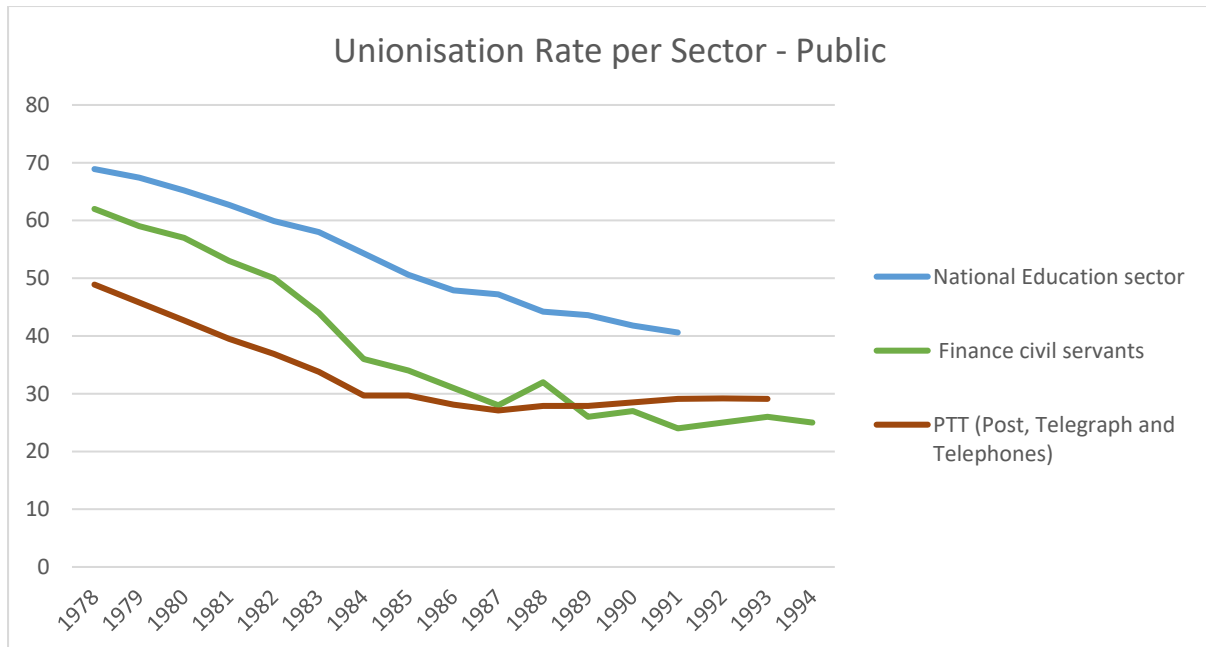
union representation. This could be due to the nature of employment in these sectors, which often includes a higher proportion of casual, part-time, or transient workers, making union organisation and maintenance more challenging. Economic pressures, such as tighter margins and increased competition, may also play a role, as they can lead to less stable employment conditions, making it harder for unions to establish a strong foothold. Furthermore, the workforce in these sectors might lack the same level of awareness or perceived need for union representation as seen in more specialised sectors. There appears to be a correlation between sectors that involve higher-skilled or specialised labour and the maintenance of higher union presence. In addition to "Finance and Insurance," the "Education, Health, and Social Services" sector also tends to have a relatively higher union presence, though it has experienced some decline. This could be because workers in these sectors often have specific qualifications or professional certifications, leading to a greater collective awareness of worker rights and benefits. Furthermore, these sectors might be more likely to have a stable, long-term workforce, which aids in sustaining active and effective union representation.

Figure 5.8: Union Rate per Sector (%) :



Source: (Labbé, 1995)

Figure 5.9: Unionisation Rate per Sector - Public

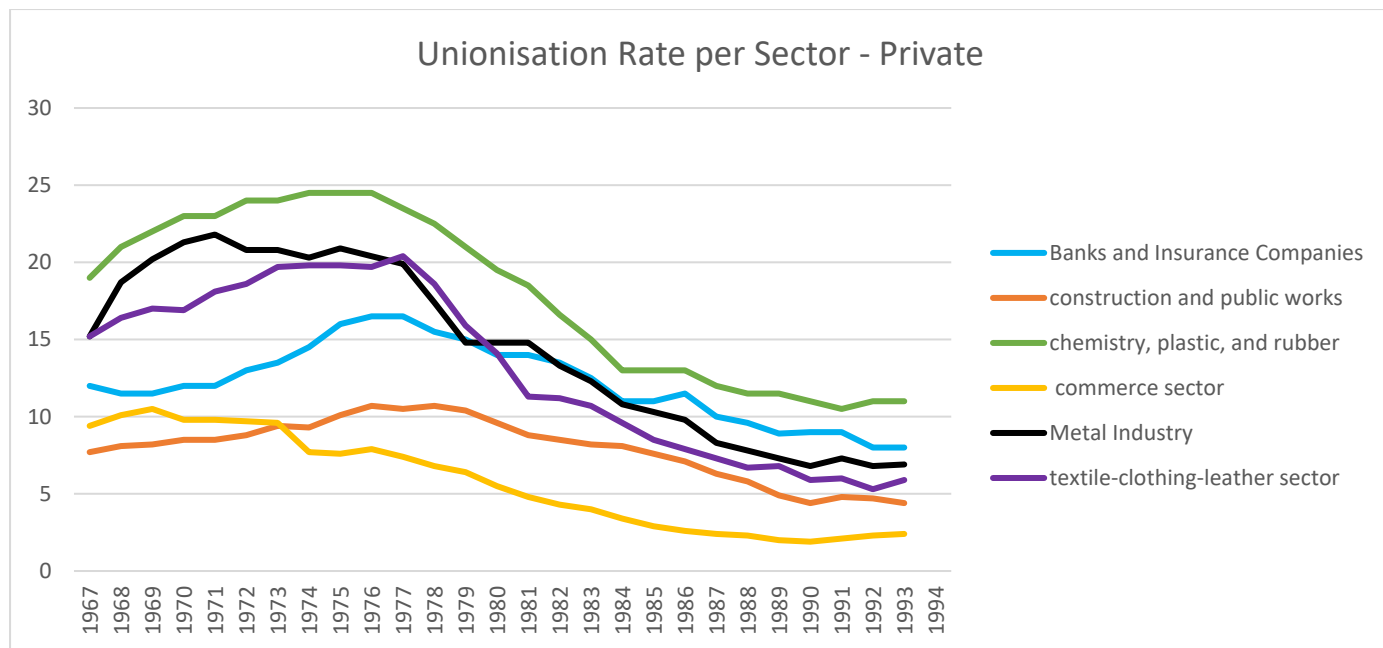


Source: (Labbé, 1995)

The "National Education sector" starts at the highest rate of unionisation in 1978, close to 70%, and shows a consistent downward trend over the years, ending around 40% in 1991. The "Finance civil servants" begins around 60% in 1978 and decreases over time, with some fluctuations. By 1994, the rate has declined to around 25%. "PTT (Post, Telegraph and Telephones)" starts just below 50% in 1978, experiences some ups and downs, but generally remains above the other two sectors from around 1982 onwards, ending near 30% in 1994. Overall, all three sectors show a decline in unionisation rates over the period depicted.



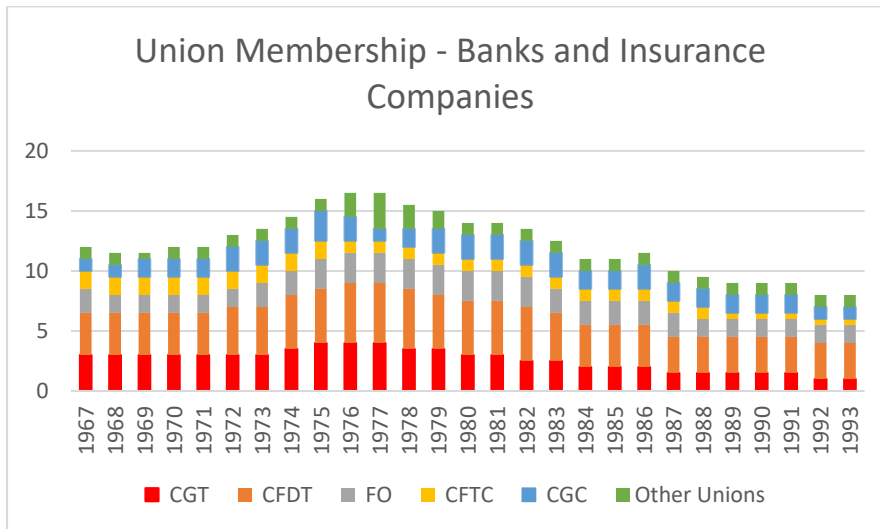
Figure 5.10: Unionisation Rate per Sector - Private



Source: (Labbé, 1995)

Figure 5.10 indicates a decreasing trend in unionisation rates across all sectors over the given period. from 1959 to 1977 was marked by rapid economic growth which not only meant a quantitative increase in jobs but also brought about significant changes within the workforce, including a growing influence of the tertiary sector, the rise of white-collar workers, and feminisation(Labbé, 1995, p. 29). The stability in unionisation indicated that the labour movement had, to varying degrees, managed to adapt to these social changes(Labbé, 1995, p. 29). For example, data showed increasing unionisation in banking, insurance, chemistry, and construction until 1977(Labbé, 1995, p. 29). However, disparities existed, with commerce and banking having relatively low unionisation rates, declining further in the early 1970s(Labbé, 1995, p. 29). Despite employment growth, the stagnation in the number of union members signalled a diminished capacity to attract new memberships(Labbé, 1995, p. 29). During this period, unionism remained relatively weak in the commercial tertiary sector but strong in industrial sectors and large national enterprises, which would later be affected by the economic crisis(Labbé, 1995, p. 29). Notably, difficulties in employment in sectors like textiles and clothing did not significantly impact unionisation rates, remaining relatively high throughout the period, with one in five textile employees being a union member in 1976-77(Labbé, 1995, p. 29).

Figure 5.11: Unionisation rates in banks and insurance companies since 1967. According to the membership of the CGT, the CFDT, and the results of works council elections



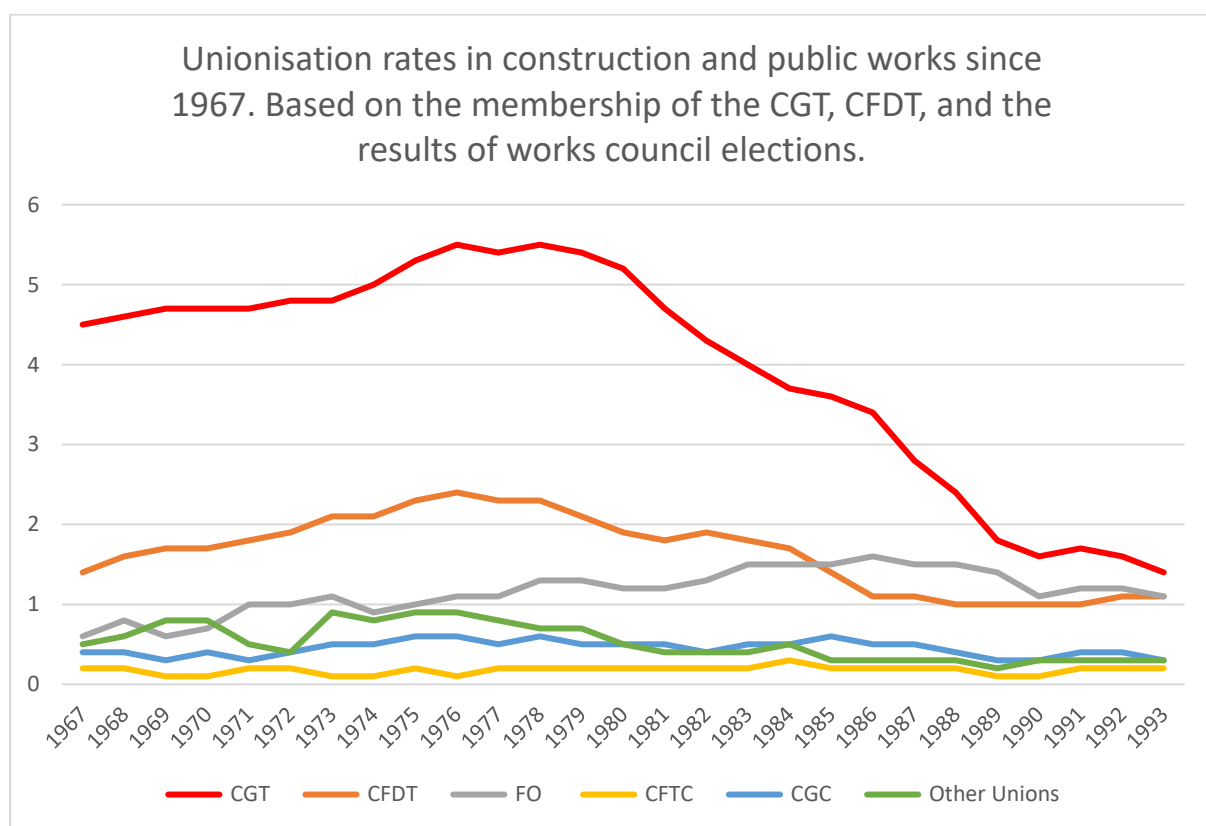
Source: (Labbé, 1995)

Figure 5.11 offers a detailed view of the unionisation rates within the banking and insurance sectors in France, spanning from 1967 to 1993. It showcases the membership figures of prominent unions such as CGT, CFDT, FO, CFTC, CGC, among others, and provides a window into the shifting patterns of labour representation over the years. Throughout this period, unionisation rates experienced various changes. An upward trend is observable from 1967, reaching its zenith in the mid-1970s and 1980s, succeeded by a downturn towards the end of the 1980s and into the early 1990s. A closer look at individual union trends reveals distinctive patterns: the CGT experienced a reduction in membership rates by two percentage points, whereas the CFDT's decrease was more moderate, at just half a percentage point. The CFDT has consistently been the principal union within the finance and insurance sector. The FO's membership remained relatively stable, hovering between 1.5 and 2 percent. The CFTC and CGC's rates varied, with a notable downturn for the CFTC during the 1980s. The involvement of other unions also saw shifts but played a role in the overarching trend.

A comparative analysis of unionisation rates across specific years demonstrates the interplay and relative dynamics among the unions. For example, the CGT consistently presented higher membership rates than its counterparts, underscoring its sustained influence. The CFDT and FO displayed a more aligned trajectory. A deeper analysis is required to understand the reasons behind these trends, which

would involve examining each union's strategic responses to external socio-economic factors. In a sector predominantly consisting of white-collar workers, such as banking and insurance, the CFDT's position as the main union is expected, while the CGT maintaining a strong second. The diminishing unionisation towards the late 1980s corresponds with the implementation of neoliberal economic policies aimed at introducing more flexibility into the labour market.

Figure 5.12: Unionisation Trends in the Construction and Public Works Sector

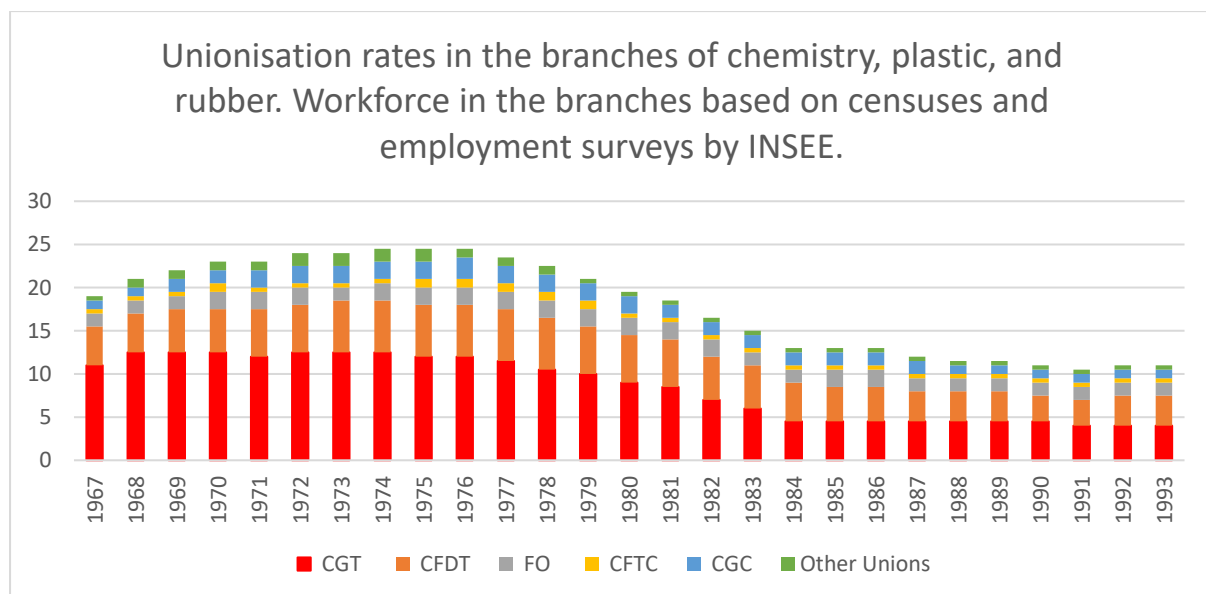


Source: (Labbé, 1995)

Figure 5.12 offers a historical perspective on union membership within the French construction and public works sectors from 1967 to 1993, using data from the membership rolls of significant unions and the outcomes of works council elections. The CGT, with a longstanding history of influence within these sectors, initially posted the highest rates of unionisation. The graph reflects the union's robust presence and capacity for organisation in the early years of this timeline. However, a marked downturn in CGT membership becomes apparent from the 1980s, which could be interpreted as a

response to a multitude of factors: the prevailing economic policies that likely favoured market liberalisation, internal shifts within union structures, and changes within the labour market's makeup, particularly those impacting the construction and public works realms. The membership rates of the CFDT are characterised by variability over the years. The FO, CFTC, CGC, and other unions demonstrate a more consistent level of unionisation. The persistence of these unions, despite the CGT's dwindling numbers, may indicate their successful maintenance of a core membership base within these sectors. The CGT's pronounced membership decline in the 1980s onwards could be symptomatic of wider labour market trends in France at the time. These trends, potentially driven by neoliberal policies that encouraged a more flexible labour market, may have diminished the collective bargaining strength historically wielded by unions.

Figure 5.13: Unionisation rates in the branches of chemistry, plastic, and rubber. Workforce in the branches based on censuses and employment surveys by INSEE

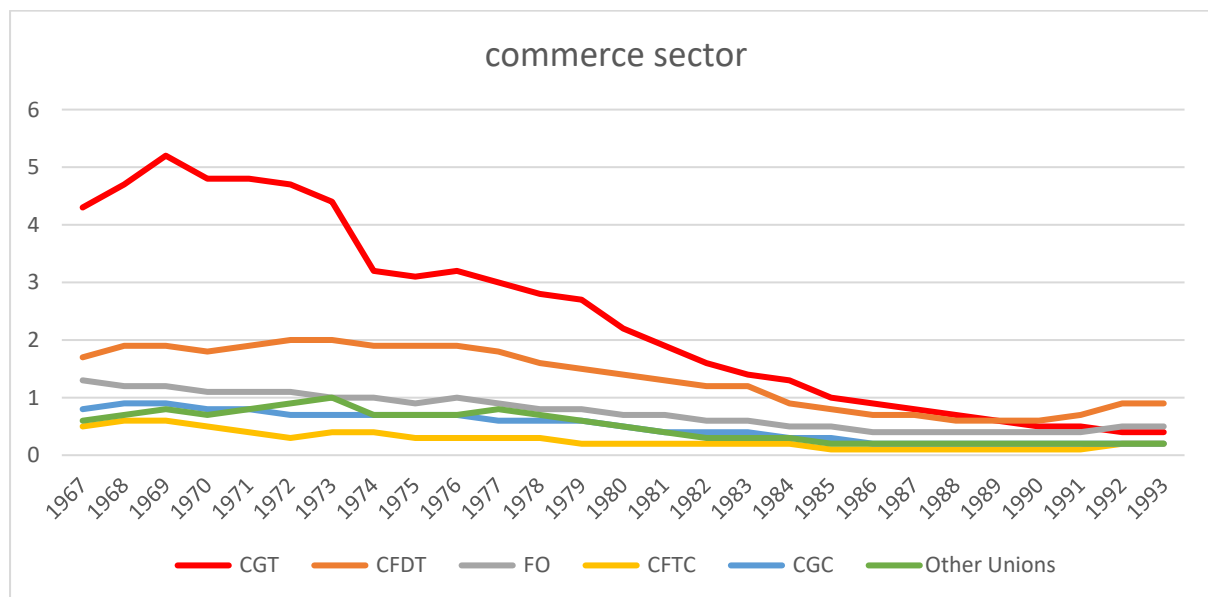


Source: (Labbé, 1995)

The CGT, which has traditionally held a strong position in the chemical, plastic, and rubber sector, shows a pronounced decrease in membership over the years, aligning with the levels of other unions by 1993. This trend marks a significant reduction in the CGT's influence and may signal a shift in power

dynamics among the unions. The CFDT, in contrast, appears to maintain or even expand its influence, which may be reflective of its ability to adapt to changes within these industries.

Figure 5.14: Commerce sector

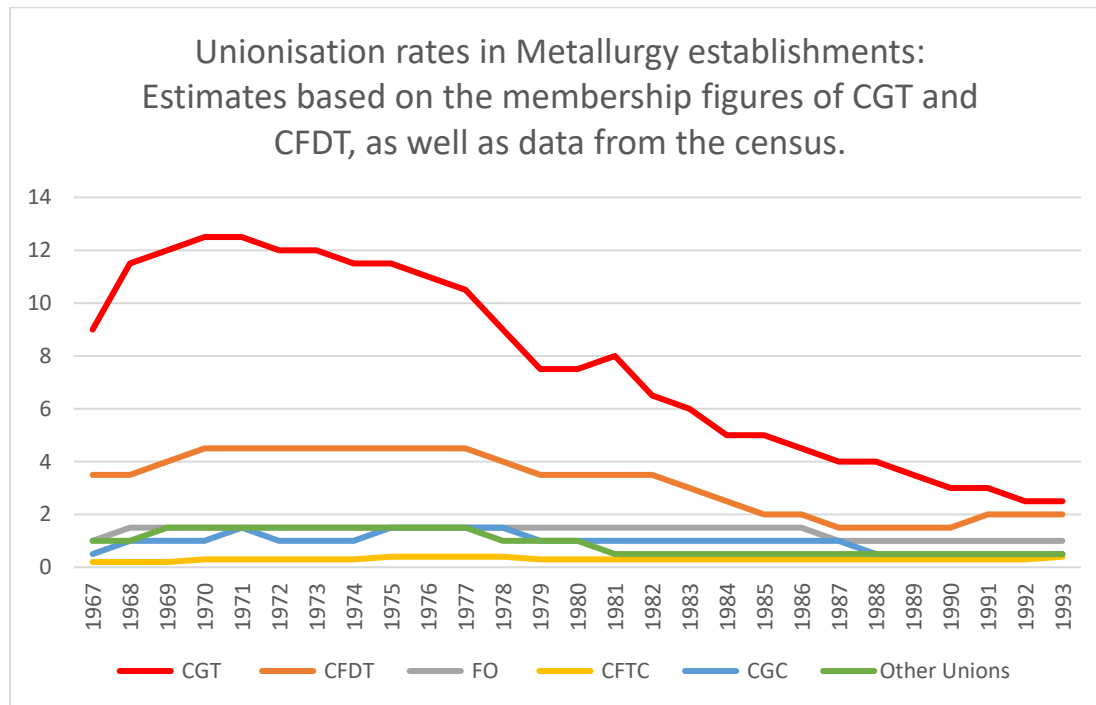


Source: (Labbé, 1995)

Initially, the CGT was at the forefront of the Commerce sector, registering the highest rates of unionisation. However, as the years progressed, a notable downtrend in CGT's membership is observed. A pivotal moment is seen in 1990 when the CFDT overtakes CGT, becoming the leading union in the commerce sector. This turnover points to a significant reconfiguration within the union landscape, suggesting shifts in worker allegiances and the effectiveness of union strategies. Figure 5.14 underscores a general decline in unionisation rates, a pattern that spans from the late 1960s to the early 1990s. This downturn mirrors the trends seen across various sectors, hinting at systemic factors that may have influenced union membership, such as changes in labour market conditions, employment practices, or broader socio-economic transformations. While the CGT and CFDT exhibit

the most pronounced shifts in membership, other unions, including FO, CFTC, CGC, and additional groups, also experience a steady decrease in their unionisation rates. This consistent decline across the board signals a widespread challenge faced by unions in maintaining and growing their membership base during this period.

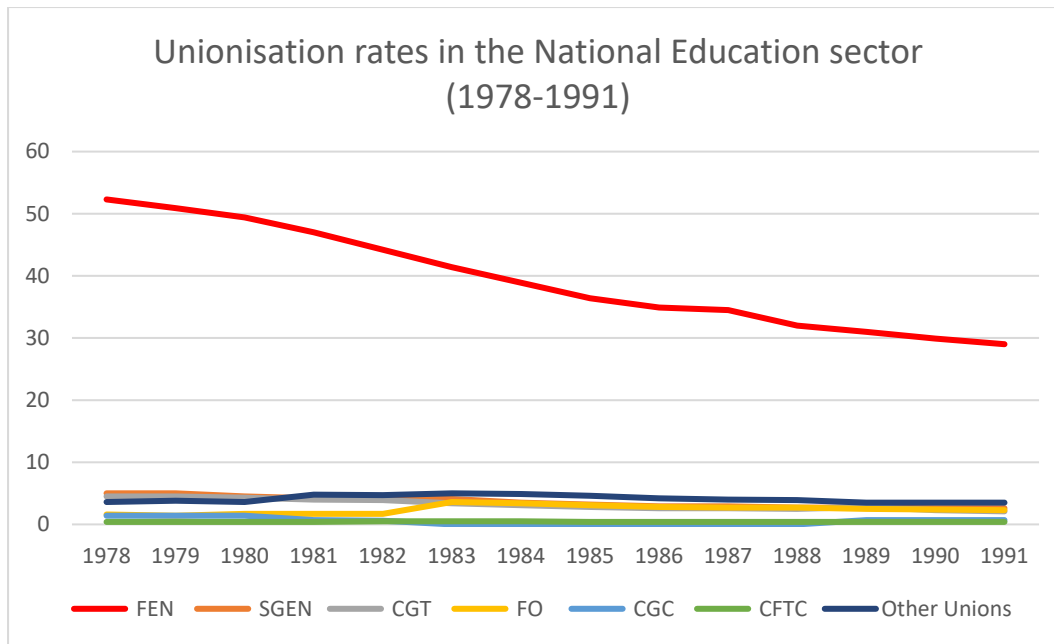
Figure 5.15: Unionisation rates in Metallurgy establishments: Estimates based on the membership figures of CGT and CFDT, as well as data from the census.



Source: (Labbé, 1995)

During the late 1960s and early 1970s, the CGT and CFDT were prominent in unionisation within the Metallurgy sector. The CGT, in particular, showcased consistently higher rates, which speaks to its historical influence and strength within metallurgy. However, from 1970 onwards, there is an observable and continuous decline in CGT membership. The union CFDT also saw a downturn beginning in the late 1970s, which may reflect challenges within the union or changes in its approach to representing workers in the metallurgy sector. Meanwhile, the CFTC and CGC maintained consistently lower rates of unionisation compared to the CGT, CFDT, and FO, suggesting a more minor role in this particular industrial context.

Figure 5.16: Unionisation rates in the National Education sector (1978-1991)



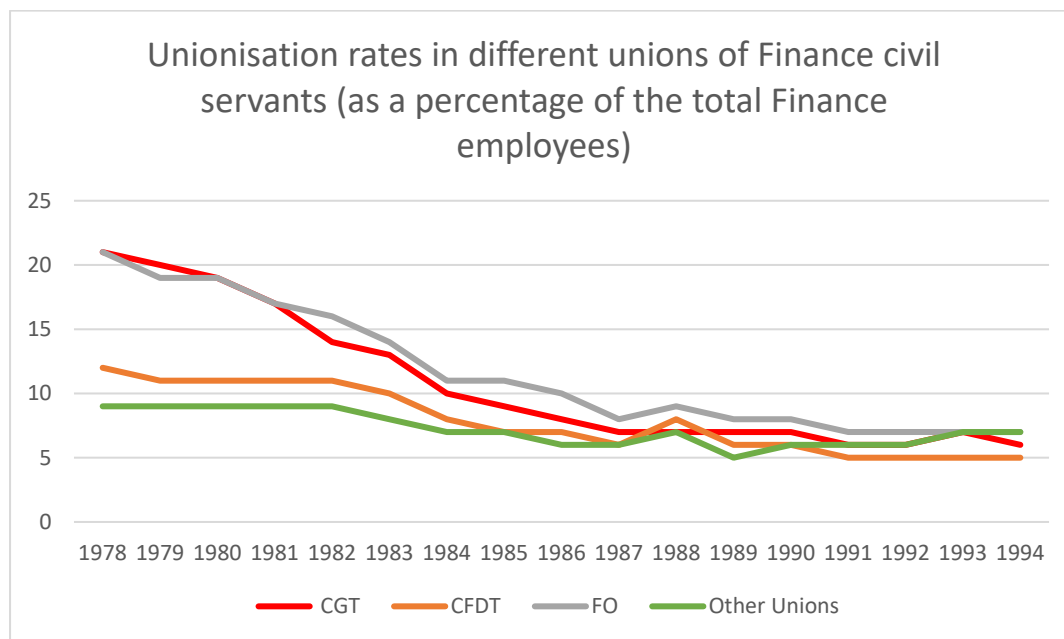
Source: (Labbé, 1995)

Figure 5.16 provides a visual representation of unionisation rates in the National Education sector in France from 1978 to 1991. It illustrates membership levels of various unions, notably the FEN (Fédération de l'Éducation Nationale), SGEN (Syndicat Général de l'Éducation Nationale), CGT, FO, CFTC, CGC, and other unions. The FEN, with its origins tied to the CGT, shows the highest rate of unionisation throughout the period, underscoring its strong position in the National Education sector. Its consistent lead suggests that it effectively resonated with and met the needs of education sector employees. The SGEN, associated with the CFDT, maintains the second-highest unionisation rate, indicating its continued relevance and influence among education professionals. FO appears to hold a significant yet lesser position compared to FEN and SGEN, highlighting its role as a notable but not dominant union within this sector.

Across all unions, there is a trend of gradual decline in unionisation rates during this time. However, this decrease is less severe in the education sector compared to others, which may be attributed to the unique characteristics of the public sector workforce. The FEN's historical connection to the CGT and the SGEN's affiliation with the CFDT reflect the political undercurrents within the education sector's union activities. The observed decrease in prominence of more radical unions is in line with

wider societal shifts during this period. The slower pace of decline in unionisation within the National Education sector could be due to various factors, including the public sector's greater job security and the educated nature of the workforce, which might foster a more robust commitment to collective representation. Additionally, the sector's reliance on skilled professionals may necessitate a strong union presence to negotiate the complexities of educational policies and employment conditions.

Figure 5.17: Unionisation rates in different unions of Finance civil servants (as a percentage of the total Finance employees)



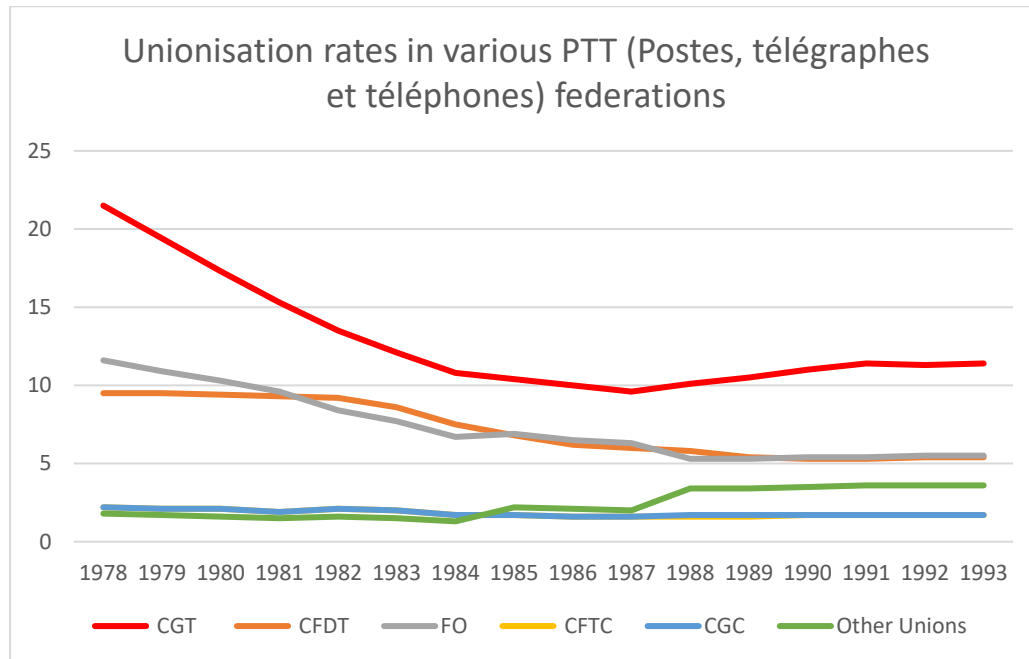
Source: (Labbé, 1995)

Figure 5.17 above reflects the unionisation trends among Finance civil servants in France, covering the period from 1978 to 1994. It showcases the unionisation rates as a percentage of the total Finance employees for major unions. Throughout the period, FO maintained the highest unionisation rate among Finance civil servants, highlighting its longstanding influence and established presence within this sector. The CGT, while exhibiting some variability, consistently remained a key union, trailing close behind FO. The fluctuations could be indicative of the changing industrial relations landscape or internal strategic shifts within the union. A noticeable decrease in unionisation rates for both CGT and FO becomes apparent by the early 1990s. The convergence of unionisation rates for CGT and FO with those of other unions by the 1990s suggests an increasing competition for membership. This could point to a diversification of union representation within the sector, with employees exploring



alternatives to the historically dominant unions. The overall trend indicates a move towards a more pluralistic union environment within the Finance civil service, as the previously clear distinctions in unionisation rates between major unions and smaller ones become less pronounced.

Figure 5.18: Unionisation rates in various PTT (Postes, télégraphes et téléphones) federations

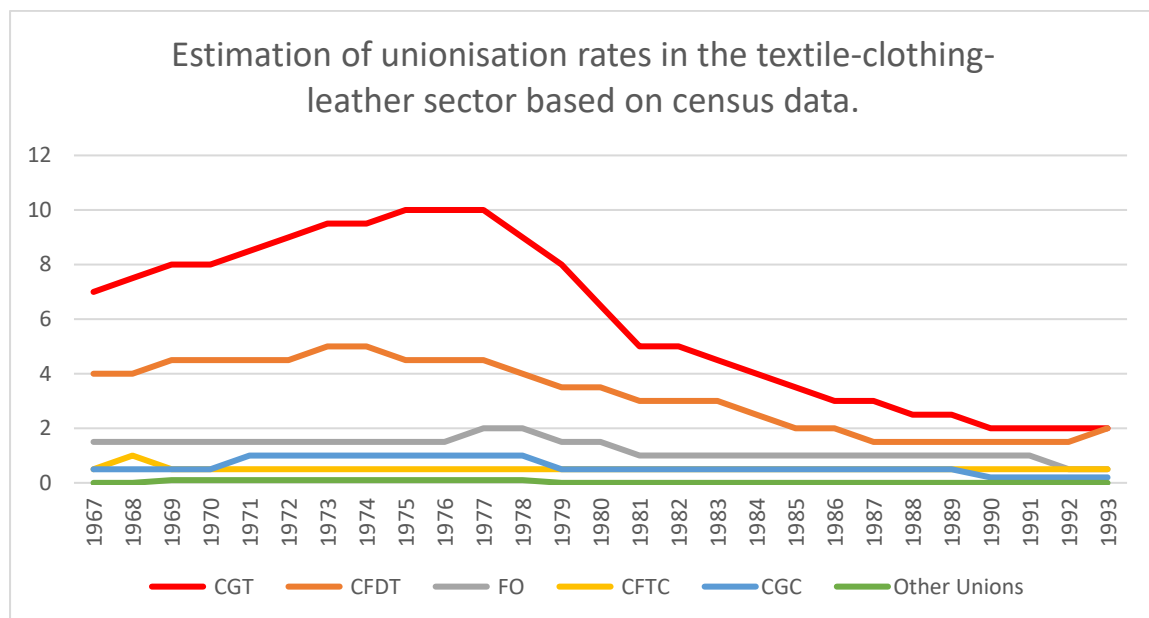


Source: (Labbé, 1995)

Figure 5.18 depicts the unionisation rates in the PTT (Postes, télégraphes et téléphones) sector—France's postal and telecommunications services—spanning from 1978 to 1993. It outlines the membership trends of various trade union federations within this public sector. The CGT, traditionally a dominant union in the public sector, not only maintained a leading position in the PTT sector but also experienced a resurgence in unionisation rates starting in the late 1980s, continuing into the 1990s. Both the CFDT and FO demonstrate a decline in their union rates as well. A significant turning point is observed in the late 1980s, marked by an overall decrease in unionisation rates across all major unions, followed by the CGT's rebound. This increase in CGT membership could be attributed to the union's strategic response to the privatisation talks of France Telecom, suggesting that the CGT may have rallied support by positioning itself as the defender of workers' interests against privatisation efforts. This will be further analysed in the subsequent chapter which presents a case

study of France Telecom. The CFTC, CGC, and other smaller unions exhibit moderate fluctuations in their unionisation rates, without any significant upward or downward trends. This could reflect the specialised nature of these unions and their specific appeal to certain segments within the workforce. The graph presents a dynamic picture of the union landscape within the French PTT sector, characterised by the CGT's pronounced resilience and response to privatisation threats, and the steady role of other unions in representing workers' interests during a period of significant change and uncertainty for the sector.

Figure 5.19: Estimation of unionisation rates in the textile-clothing-leather sector based on census data.

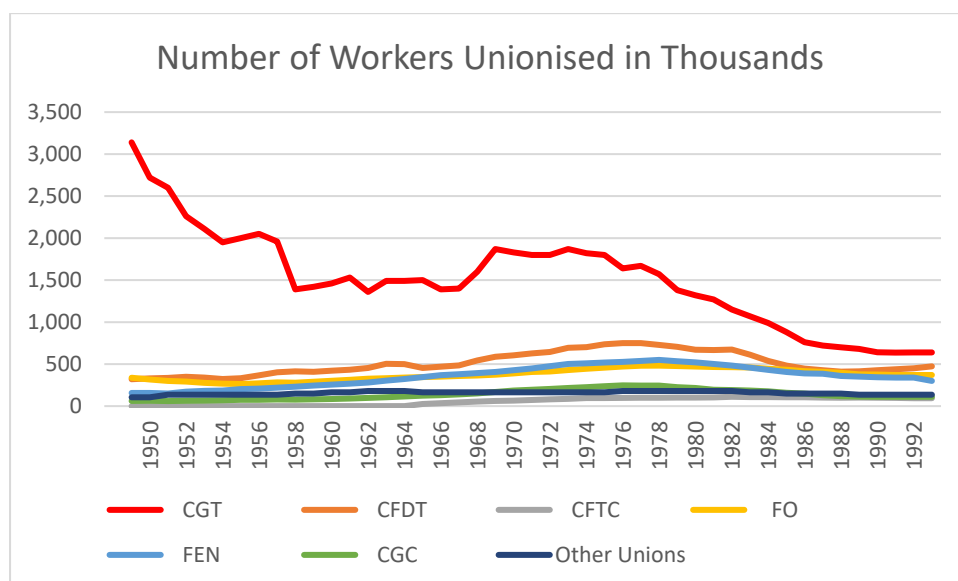


Source: (Labbé, 1995)

Figure 5.19 provides an overview of unionisation rates in the textile, clothing, and leather sector in France from 1967 to 1993, using estimates based on census data. It charts the membership percentages of various unions within the sector, with a focus on the CGT, CFDT, FO, CFTC, CGC, and other unions. The CGT held the highest unionisation rates for a substantial period from 1967 to the early 1990s, underscoring its historical stronghold within the textile, clothing, and leather sector. Despite the CGT's initial dominance, the graph indicates a significant decline in unionisation rates over

the years. This trend is reflective of broader changes in the industry, potentially including the outsourcing of production, the introduction of new technologies, and shifts in global market dynamics that could have impacted employment and union membership within the sector. The CFDT, following the CGT, also shows a decrease in unionisation rates, albeit less pronounced. This could suggest a varying degree of influence or effectiveness in membership retention and recruitment strategies between the unions. The decline in unionisation in this sector is indicative of the challenges faced by traditional unions in adapting to the rapidly changing industrial landscape of the late 20th century. The data points to a period of transition for the sector, marked by economic pressures and evolving labour relations.

Figure 5.20: Number of Workers Unionised in Thousands



Source: (Labbé, 1995)

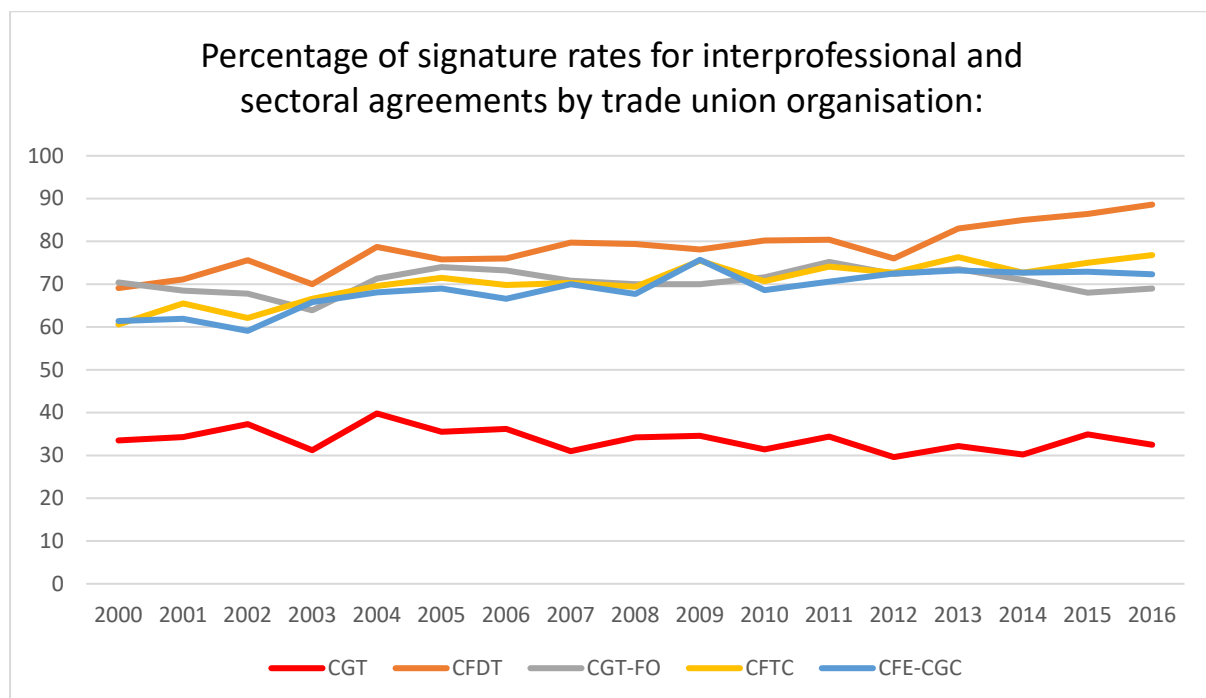
The decline in union density is indeed a noteworthy characteristic of the flexibilisation policies that have been implemented in many countries, including France. However, it is essential to recognise that the decrease in union density is just one facet of the broader picture when assessing the erosion of union power. This phenomenon is particularly evident in the case of the CGT, a radical union with deep ideological roots in France. To delve deeper into this issue, it is crucial to understand that the

decline in union density does not on its own encompass the entirety of the loss in union power. The CGT has historically been deeply entrenched in its ideological principles and has played a pivotal role in advocating for workers' rights and social justice. However, the striking decline in CGT membership across various sectors is indicative of a more profound trend that extends beyond the realm of trade unions alone. This trend is closely intertwined with the broader political landscape in France. The significant drop in CGT membership should be viewed as a notable symptom of larger socio-political developments. Researchers have extensively studied this phenomenon and have aptly contextualised it within the socio-historical features of French capitalism. This decline in union membership can be seen as a reflection of shifting societal values, changes in political ideologies, and evolving economic structures. In this context, it becomes evident that the CGT's loss of membership is not an isolated event but part of a more extensive and complex narrative. It is emblematic of the changing dynamics between labour, capital, and the state in France. The decline in CGT membership signals not only a shift in the labour movement but also a transformation in the political landscape, where traditional ideologies and institutions are facing new challenges and pressures. This phenomenon underscores the need for a multifaceted analysis that considers not only the numerical decline in union membership but also the broader historical, political, and economic forces at play. It prompts us to explore the underlying causes of this trend, such as globalisation, neoliberal policies, and societal shifts, to gain a comprehensive understanding of the flexibilisation of the labour market and its bearing on unions like the CGT in the context of French capitalism.

The convergence of membership levels among French trade unions, particularly the approach of other unions to the historically dominant CGT, indicates significant changes in the landscape of union representation in France. The CGT's shrinking membership base implies a loss of the leverage it once wielded independently. Its declining membership signals a reduced capacity to act unilaterally, necessitating greater collaboration with other unions to form a united front in negotiations. The CGT's

frequent reluctance to sign collective agreements suggests a fundamental difference in strategy and philosophy compared to unions like the CFDT. While the CGT may be holding out for more favourable terms for workers or taking a principled stand against what it sees as insufficient agreements. This strategic divergence has led to conflicts among the unions. Such internal conflicts can weaken the collective bargaining power of unions as a whole. Employers may exploit these divisions by playing the unions against one another, potentially leading to less favourable outcomes for workers.

Figure 5.21: Percentage of signature rates for interprofessional and sectoral agreements by trade union organisation



Source: (Ministère du Travail, 2017, p. 335)

The CGT's signature rate on agreements has been consistently lower compared to other unions, particularly the CFDT, which indicates a higher level of selectiveness or reluctance to sign agreements, potentially due to their more radical stance. The CGT's loss of and membership has resulted in a reduced capacity to influence negotiations on its own. This decline while having begun even before the Auroux Laws, which deregulated company negotiations to some extent, potentially undermining the power of unions. The Auroux Laws seem to have exacerbated the decline by making union membership less attractive for workers, as these laws allowed for more flexibility at the firm level without the need for strong union backing. Furthermore, the CGT's diminished ability to act as a

blocking minority, other unions, which may be more willing to sign agreements, have gained relative power. This shift could lead to a perception that trade unions are becoming institutions that give the illusion of representation rather than genuinely advocating for workers' interests.

The case study of Orange/France Telecom will provide insight into the CGT's approach to negotiations and whether their refusal to sign is indeed based on the terms not being favourable or satisfactory for workers. The case of Orange/France Telecom will provide a relevant example of how these dynamics play out in practice. If the CGT was less inclined to sign agreements with the company, it could indicate a situation where the union prioritised certain principles or demands that were not met. Examining the specifics of such a case could shed light on the nature of the CGT's negotiation strategy and reveal whether their refusal to sign was indeed in the best interest of the workers, or if it represented a more dogmatic adherence to principles that may not serve the current needs of the workforce. The evolution of the CGT's role in French labour negotiations reflects broader trends in labour relations and the shifting power dynamics within union movements. Historically, the CGT has been known for its strong stance and frequent leadership in advocating for workers' rights. The graph, which demonstrates a decrease in the percentage of agreements they sign, suggests that they are maintaining their rigorous standards for what constitutes a fair deal for workers. This can be interpreted as a form of resistance against agreements that they perceive as inadequate or potentially detrimental to workers' interests. However, this resistance comes with consequences. As the CGT's influence wanes, it opens up the space for other unions that may be more moderate or willing to compromise, such as the CFDT.

### 5.3 Collective Bargaining

Collective bargaining in France operates within a distinctive labour landscape, marked by a unique interplay between state intervention and union activities (Vincent, 2019, p. 224). Historically, the French labour movement has contended with challenges such as pluralism, fragmentation, low union

density, and limited resources(Vincent, 2019, p. 224). Despite these factors, the framework for labour relations in France has been characterised by robust mechanisms that bolster collective bargaining processes and extend the influence of trade unions well beyond their membership base(Vincent, 2019, p. 224). The state has played a pivotal role in addressing the limitations of union organisational strength through a series of legal and institutional mechanisms(Vincent, 2019, p. 224). Unions have been granted extensive legal rights, enabling them to represent the interests of all employees, thereby creating a quasi-monopoly that persisted into the late 1990s(Vincent, 2019, p. 224). This legal structure ensured that industrial agreements had universal application, even in workplaces where union presence was minimal(Vincent, 2019, p. 224). In parallel, the constitutionally safeguarded right to strike, particularly within essential public services, highlights the strong protection of labour rights in France, with minimal regulatory constraints(Vincent, 2019, p. 224).

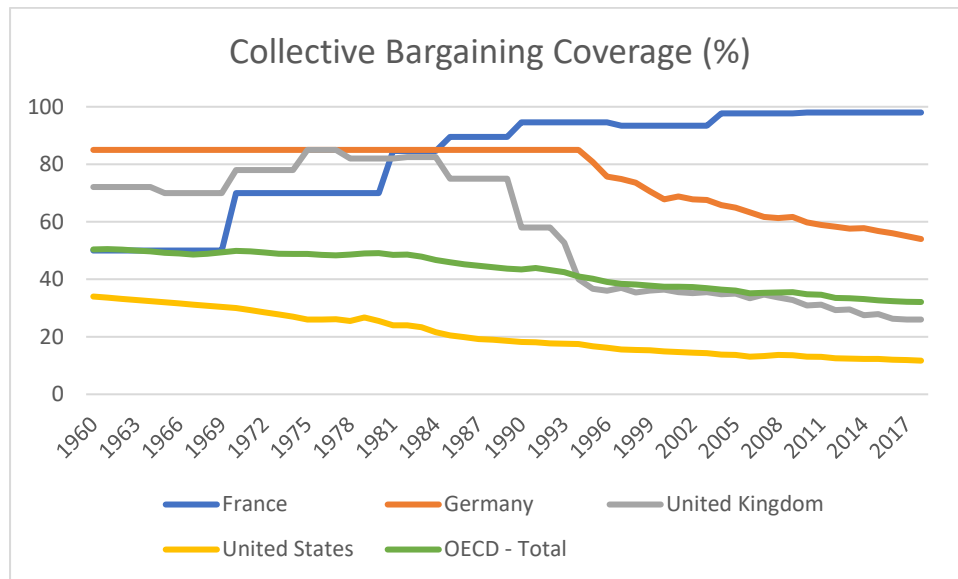
Furthermore, the integration of unions into the administration of the welfare state has expanded their social and political clout, allowing them to wield significant influence over social protection frameworks, unemployment benefits, and vocational training systems(Vincent, 2019, p. 225). Additionally, the establishment of a statutory national minimum wage, known as the SMIC (Growth-linked Interprofessional Minimum Wage), underscores the government's proactive approach to addressing social inequalities and compensating for deficiencies in the bargaining process(Vincent, 2019, p. 225). Recent legislative measures have sought to refine the collective bargaining system, introducing rules to determine union representativeness and agreement validity, thereby enhancing the security of the bargaining process(Vincent, 2019, p. 226). These measures also reflect an evolving strategy that accommodates negotiations even in the absence of unions, which brings forth a dynamic approach to the complexities of collective bargaining in France(Vincent, 2019, p. 226).

Building on the foundational understanding established in the previous chapter, this section will delve into a critical examination of the expansion of collective bargaining in France. Utilising descriptive data,

we will scrutinise the evolution and the broadening reach of this cornerstone of labour relations through a critical lens.

### 5.3.1 The Shift to Firm-Level Bargaining in France's Labour Market

Figure 5.22: Collective Bargaining Coverage (%)



Source: OECD<sup>16</sup>

It is noteworthy that, while most countries have experienced a decline in collective bargaining coverage, often perceived as a manifestation of flexibilisation policies, France presents an intriguing deviation from this trend. Notably, during the era characterised by neoliberal policies, France has seen an increase in collective bargaining coverage. This divergence becomes more pronounced when specific timelines are considered. In France, an increase in collective bargaining began in the 1970s, signalling a distinct shift from the trends observed in other nations. In stark contrast, the United Kingdom experienced a marked decline in collective bargaining from the 1990s onwards. This represents a significant change in the UK's approach to labour market regulation. Similarly, Germany observed a steep decrease in collective bargaining towards the end of the 1990s, reflecting a pivotal transformation in its labour market structure. Furthermore, the average across OECD countries, which

<sup>16</sup> Collective bargaining coverage rate represents the share of workers covered by valid collective agreements in force.

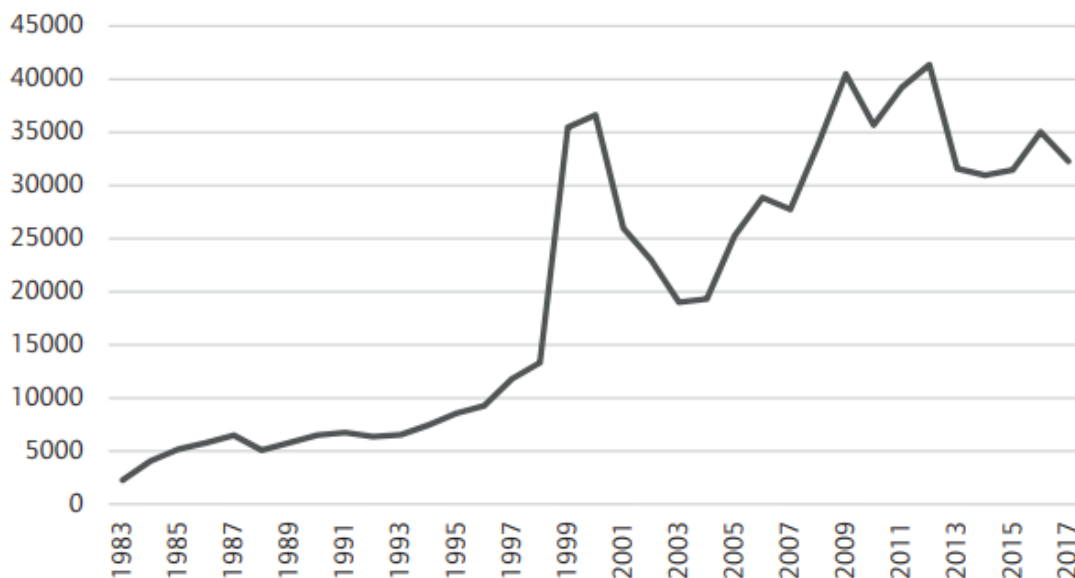


serves as a broader gauge of global trends, has been on a steady decline since the 1960s. These trends underscore the varied approaches to labour market policies and regulations across different countries, with France's increasing collective bargaining coverage standing out against the backdrop of a general decline in other countries. This contrast highlights the complexity and diversity of labour market dynamics in the context of global economic shifts and policy trends.



Figure 5.23: Number of workplace agreements signed annually in France

Figure 11.2 France: number of workplace agreements signed annually\* (1983–2017)



Note: \* Including agreements signed by union delegates and employees mandated by trade unions.  
Source: Ministère du travail (2017); author's calculation.

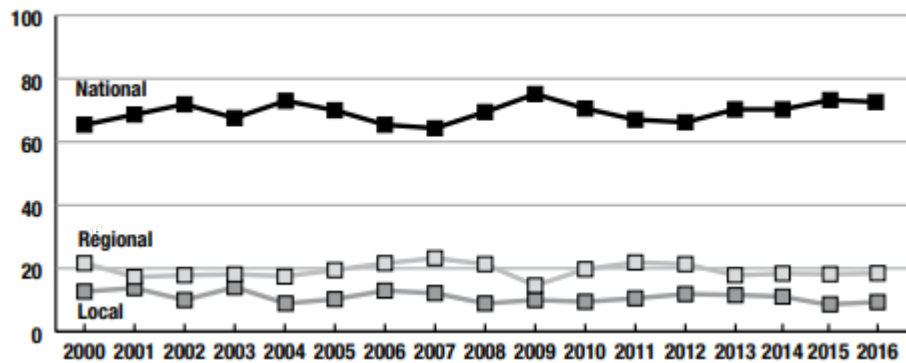
Source: (Vincent, 2019, p. 230)

The period from the 1950s to the 1990s witnessed the dominance of the sector level in collective bargaining (Vincent, 2019, p. 227). However, a noteworthy shift occurred in the 1980s and 1990s with the introduction of derogations from the Labour Code, particularly concerning statutory working time, through industry or company agreements (Vincent, 2019, p. 227). In 1993, François Sellier proposed a controversial thesis emphasising the centrality of the company level in the French industrial relations system (Vincent, 2019, p. 227). Despite the gradual delinking of central and company levels in

collective bargaining, until 2004, coordination among different levels was maintained through the 'favourability' principle (Vincent, 2019, p. 227). For instance, the statutory minimum wage (SMIC) exerted a gravitational pull for wage bargaining at the industry level, impacting annual wage increases (Vincent, 2019, p. 227). Despite being state-imposed, the SMIC functioned similarly to centralised national wage agreements in other countries, highlighting the influence of state wage settlements on defining wage development (Vincent, 2019, p. 227). At the industry level, union federations and employers' organisations negotiated minimum wages, serving as a wage floor for specific qualifications (Vincent, 2019, p. 227). Wage hierarchies were determined in industry-level collective agreements, varying across industries (Vincent, 2019, p. 227). The 2004 Law on lifelong vocational training and social dialogue marked a significant shift in coordination between bargaining levels, allowing firm-level agreements to derogate from higher-level agreements, except in specific areas (Vincent, 2019, p. 228). Derogation use remained limited, attributed to industry-level agreements blocking most derogations and standards at that level already leaving little room for less favourable agreements (Vincent, 2019, p. 228). The 2017 Ordinances altered the collective bargaining architecture, moving away from the 'favourability principle' to base coordination on the complementarities of bargained topics (Vincent, 2019, p. 229). In France, the tradition of national interprofessional agreements (ANI) has existed, covering various fields and requiring transposition into legislation (Vincent, 2019, p. 228). Despite economic difficulties, industry-level bargaining has remained stable, with a consistent number of collective agreements signed each year (Vincent, 2019, p. 229). Workplace-level agreements have substantially increased, demonstrating dynamism in company negotiations, even during the crisis (Vincent, 2019, p. 229). These trends are highlighted in Figure 5.23 above, showcasing the number of workplace agreements signed annually from 1983 to 2017. The graph depicts fluctuations but generally an upward trend in the number of agreements, particularly noting an increase from the 1980s onwards, which aligns with the historical shifts described.

### 5.3.1.1 Decentralisation

Figure 5.24: Evolution of the distribution of sectoral agreements according to their geographical level(%)



Source:(Ministère du Travail, 2017, p. 326)

National level agreements have consistently represented the majority of agreements, maintaining levels above 60% throughout the observed period. Regional level agreements have remained notably lower in comparison, showing some variation but generally staying around or below the 20% mark. Local level agreements have consistently been the least common, hovering around 10% throughout the years.

This graph underscores that, despite the trend towards decentralisation in negotiation practices, the national level remains predominant in the conclusion of sectoral agreements. This suggests a complex interplay between the push towards decentralisation and the enduring significance of national-level negotiations in the French industrial relations landscape.

The depth and nature of bargaining processes in France exhibit variations depending on the negotiating level, with pronounced differences observed between workplaces rather than industries(Vincent, 2019, p. 231). Sector-level bargaining, led by representatives of union federations, involves tight control by confederation officers(Vincent, 2019, p. 231). Union members often have the opportunity to influence claims before bargaining rounds, with final authority resting with federation

executive committees(Vincent, 2019, p. 231). However, as the ultimate authority rests with the federation executive committees, which may not always align with the preferences of the broader union membership, this may potentially diminish the democratic aspect of the bargaining process.

Workplace-level bargaining, however, is more complex (Vincent, 2019, p. 231). Three types of actors—union delegates, works council members, or employees mandated by a union—can negotiate, but the majority of agreements, especially on wages, are signed by union delegates(Vincent, 2019, p. 231). Despite France's lower union membership compared to other European countries, the country ranks relatively well in union presence at workplaces with 20 or more employees(Vincent, 2019, p. 231). Bargaining largely occurs in large companies, with negotiations in smaller companies often being nominal, lacking genuine bargaining(Vincent, 2019, p. 231).

Neither unions nor employers' federations possess comprehensive knowledge of company agreement contents(Vincent, 2019, p. 231). Union federations analyse agreements, but information is limited to companies where their representatives are present(Vincent, 2019, p. 231). The lack of transparency and oversight may lead to inconsistencies and potential inequities in bargaining outcomes.

As the number of mandatory bargaining topics increases, union federations find it challenging to monitor negotiations exhaustively(Vincent, 2019, p. 231). Mandatory negotiations are reported to burden local representatives, diverting attention from addressing daily employee demands(Vincent, 2019, p. 231). This diversion of attention can weaken workers' power by reducing the focus on immediate and pressing workplace issues.

Over the past two decades, the MEDEF has encouraged active HR policies at the firm level, responding to the institutionalisation of workplace bargaining in the 1990s(Vincent, 2019, p. 232). This shift has promoted a participatory style of bargaining, focusing on quid pro quo negotiations(Vincent, 2019, p. 232). HR managers introduce measures for increased flexibility, such as individualised and merit-based pay systems and greater flexibility in work organisation(Vincent, 2019, p. 232). However, these new topics often spark controversy among unions and within individual unions, making it difficult to

establish common rules for concession bargaining(Vincent, 2019, p. 232). These measures, being encouraged by employers organisations, may not be in the best interests of the workers and erode established social standards.

The depth of the bargaining process is contingent on company size and organisational complexity(Vincent, 2019, p. 232). In many enterprises, grassroots-level trade unionists operate with considerable negotiating autonomy, sometimes isolating themselves from higher federation structures and focusing primarily on company or establishment-level concerns(Vincent, 2019, p. 232). This isolation can potentially reduce the collective power of workers across different companies.

Company-level bargaining, often termed "managerial social dialogue," has seen the emergence of "competitiveness-employment agreements" in major companies(Vincent, 2019, p. 235). These agreements involve concessions from unions, such as guarantees on employment, in exchange for changes to social standards outlined in prior company agreements(Vincent, 2019, p. 235). Wage bargaining remains vital for addressing inequalities, but in the context of wage moderation and increased workloads, unions in large companies seek to introduce new themes, such as improving work conditions and work-life balance(Vincent, 2019, p. 235). The concessions involved indicate a power imbalance, particularly if employment guarantees are exchanged for the dilution of other working rights.

In many small companies, industry agreements remain the reference, offering limited benefits to employees(Vincent, 2019, p. 235). However, recent and upcoming legal changes, including the introduction of ballots, present challenges for trade unions in enterprises, altering the balance of power(Vincent, 2019, p. 235).

The trend towards decentralisation introduces many complexities in the bargaining process and brings with it challenges that could dilute workers' collective power, particularly in smaller firms and in the face of increasing managerial influence.

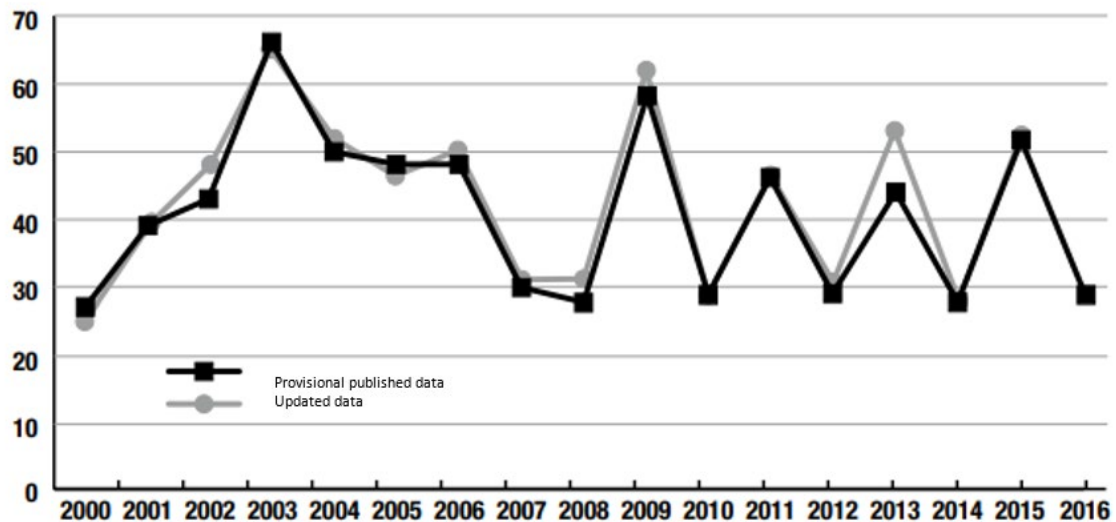
### 5.3.1.2 The rise of firm level bargaining

Figure 5.27 representing company-level agreements, starkly contrasts with Figure 5.25 and Figure 5.26 by showing significant growth, which reflects a clear shift towards firm-level negotiations.

The sector and interprofessional level graphs show that while there is engagement at the sector and interprofessional levels, these do not match the growth seen at the company level. This could suggest that while there is still value seen in broader negotiations, the emphasis is shifting towards the company level, where negotiations can be more directly aligned with the needs of the firm and therefore, implement flexibility.

The overall trend indicates a decentralisation of the negotiation process, with a growing emphasis on firm-specific agreements. This is driven by the neoliberal imperative to implement flexibility for firms.

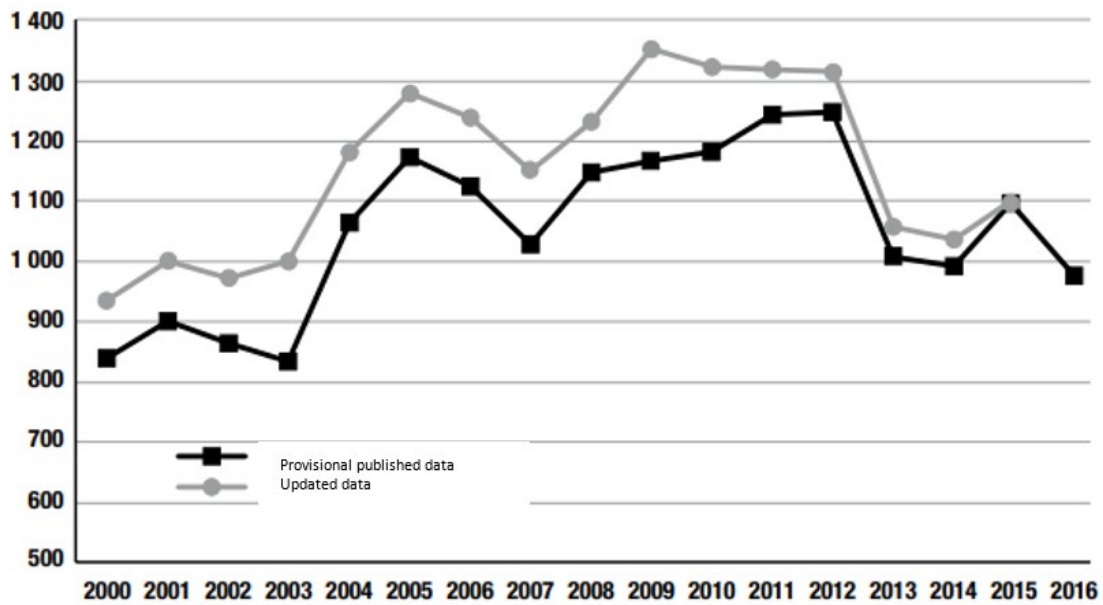
Figure 5.25: Number of professional agreements according to the year of signing



Source : ministère du Travail, de l'Emploi, de la Formation professionnelle et du Dialogue social - DGT (BDCC).

Source:(Ministère du Travail, 2017, p. 322)

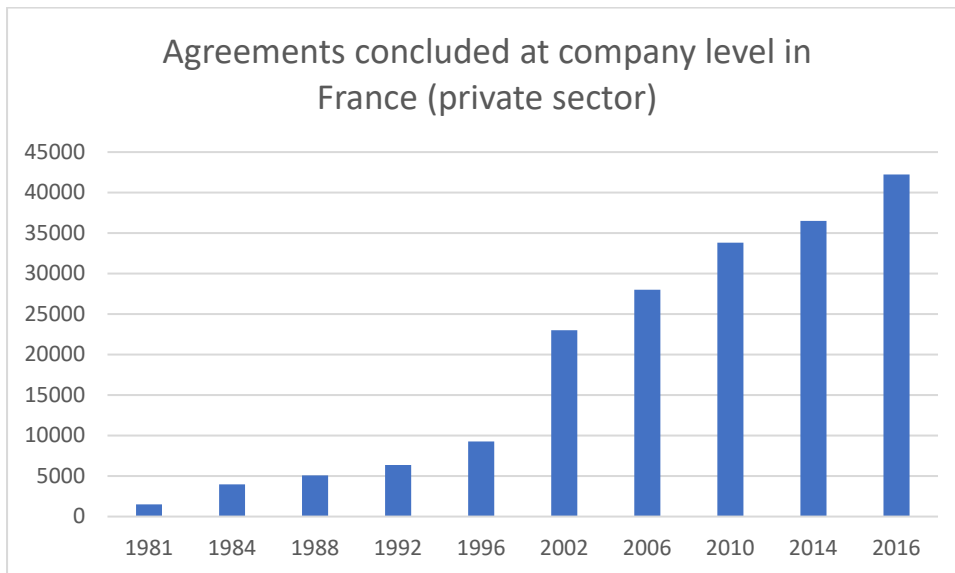
Figure 5.26: Number of sectoral agreements according to the year of signing



Source : ministère du Travail, de l'Emploi, de la Formation professionnelle et du Dialogue social - DGT (BDCC).

Source:(Ministère du Travail, 2017, p. 324)

Figure 5.27: Agreements concluded at company level in France (private sector)



Source: Ministère du Travail, cited in Béthoux and Mias (2019, p. 8)

The historical development of company bargaining in France is traced back to the early 1980s, with the State playing a crucial role in promoting agreements on various issues. The Auroux laws in 1982 marked a legal impetus for annual negotiations between employers and union representatives (Béthoux and Mias, 2019, p. 7). Subsequent steps, such as reducing the maximum legal working time at the turn of the 21st century, further expanded company bargaining to address qualitative issues like health benefits, equal rights, saving schemes, and employment-related matters (Béthoux and Mias, 2019, p. 7). The trajectory of company-level agreements in France reveals a noteworthy and consistent upward trend over the years. In 1981, the landscape of industrial relations was characterised by a relatively modest 1500 agreements. However, a remarkable transformation unfolded over the subsequent decades, culminating in a substantial surge to 42,231 agreements by 2016. This numerical escalation serves as a compelling indicator of the pronounced growth in the prevalence of company-level agreements over this extended period.

The surge in the number of agreements reflects a dynamic shift in the nature and scope of negotiations between employers and union/employee representatives. The significant increase signifies an evolving paradigm in industrial relations, with a heightened emphasis on the role of company-level agreements in shaping employment conditions, organisational policies, and broader workplace dynamics. This numerical progression is not merely a statistical phenomenon but rather an emblematic manifestation of the evolving dynamics within the French labour market. The increasing prevalence of company-level agreements indicates a growing propensity among stakeholders to engage in tailored negotiations that cater to the specific needs and challenges faced by individual companies. This approach underscores a shift towards more localised and nuanced decision-making, allowing for a more responsive and adaptable decision making process. The surge in company-level agreements suggests a commitment to fostering flexible solutions to the intricate challenges faced by employers.



Contrary to the mainstream interpretation that the upward trend in company-level agreements is inherently beneficial for workers, a critical analysis, as proposed in this thesis, reveals a nuanced perspective. Despite the numerical increase in agreements, the outcomes of these negotiations may not necessarily align with the best interests of workers. Rather, this thesis contends that these agreements often tilt in favour of employers, presenting a complex and potentially inequitable power dynamic within the industrial relations landscape. The reasons elucidated in the thesis shed light on the mechanisms through which these agreements may inadvertently disadvantage workers. Whether it be the intricate power dynamics at play during negotiations, the influence of legal frameworks, or the evolving nature of workplace relations, this research hypothesises that the ultimate outcomes of many company-level agreements tend to prioritise the interests of bosses. This perspective challenges the simplistic assumption that more agreements equate to better conditions for workers, emphasising the need for a more nuanced evaluation of the broader implications of these negotiations. The underlying argument is not a dismissal of the potential benefits of company-level agreements for workers but rather a call for a critical examination of the intricate dynamics influencing the negotiation process.

### 5.3.2 Union Density and Bargaining Power: Exploring Intra-Class Dynamics in French Labour Relations

#### 5.3.2.1 *Mandatory Annual Negotiations (NAO)*

A key characteristic of the broadening scope of collective bargaining is the obligation to negotiate annually, abbreviated as NAO. Once a trade union delegation is present in a company, the employer is obligated to initiate negotiations every year on various topics (Carlier and Naboulet, 2007, p. 1). This obligation primarily concerns companies with more than 50 employees, where unions have greater flexibility in appointing their delegates (Carlier and Naboulet, 2007, p. 7). Negotiations may occur centrally within the company or separately at various establishments (Carlier and Naboulet, 2007, p.

7). The obligation pertains to initiating negotiations, not necessarily reaching an agreement (Carlier and Naboulet, 2007, p. 7). During the initial negotiation meeting, the schedule and information to be provided by the employer to the delegates must be defined (Carlier and Naboulet, 2007, p. 7).

Since the Auroux Law of October 1982, annual negotiations are mandatory on salaries, actual working hours, and working time arrangements (Carlier and Naboulet, 2007, p. 7). Since 2001, negotiations are also compulsory on professional equality (strengthened in 2006 for gender pay equality) and profit-sharing (Carlier and Naboulet, 2007, p. 7). Additionally, since 2005, this requirement extends to professional integration and the retention of employees with disabilities (Carlier and Naboulet, 2007, p. 7). For companies with more than 300 employees, negotiations that cover information and consultation modalities with the works council regarding the company's strategy and its foreseeable impacts on employment and salaries are mandatory every three years (Carlier and Naboulet, 2007, p. 7).

The Negotiations Annuelles Obligatoires (NAO), or mandatory annual negotiations, are a cornerstone of French industrial relations, aiming to ensure regular dialogue between employers and trade union representatives on key employment issues. However, the efficacy of the NAO process is significantly influenced by the union density within a company or industry. In the context of low union density, NAOs have the potential to significantly reduce workers bargaining power. With fewer workers unionised, the collective bargaining power diminishes. Unions may find it challenging to exert significant pressure on employers to secure favourable outcomes for workers during NAO processes.

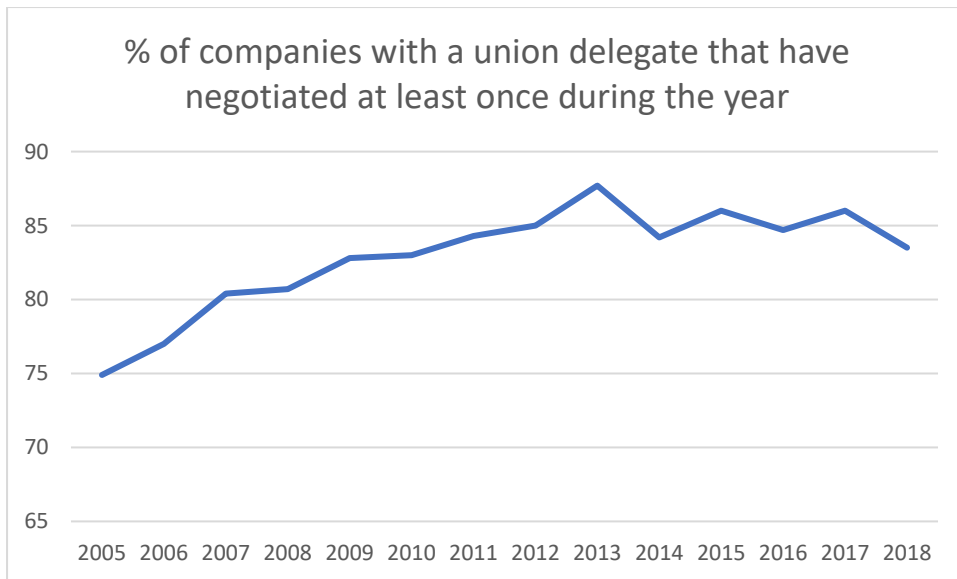
Low union density may result in fewer workplace representatives, which can impact the breadth and depth of negotiations. This coupling of low union density and obligation to negotiate may also lead to situations where the union representative carrying the negotiations may not be familiar with the realities of the working conditions at the firm. Unions with limited representation might struggle to gather comprehensive feedback from their members, potentially overlooking critical issues affecting non-unionised employees. This in turn, reduces the representativeness of workers at the negotiation

table. The NAO obliges employers to initiate negotiations, but not necessarily to reach an agreement. In situations of low union density, employers might be less motivated to make concessions, knowing that the union lacks the backing to mobilise a substantial portion of the workforce. Therefore, leading to agreements that are detrimental to the workers.

While companies with more than 50 employees must appoint union delegates, this can be a formality rather than a substantive step toward effective negotiations, particularly if the delegates do not have a strong union base to support them. This furthers the illusion of representation rather than real representation. The range of topics mandated by NAO, including salaries, working hours, professional equality, profit-sharing, and the integration of disabled employees, requires a level of expertise and negotiation skill that may be challenging to maintain with low union representation. The complexity and range of topics, which are usually decided by the employers, puts them in a position of power during negotiations. For larger companies, the requirement to negotiate on the company's strategy and its foreseeable impacts on employment and salaries every three years can be undermined by low union density. Without a strong union presence, the strategic direction of the company may not fully consider the interests of the workforce. While negotiations on these topics are compulsory, achieving substantive progress may be challenging if unions are not strong enough to hold employers accountable for disparities and to advocate effectively for underrepresented groups.

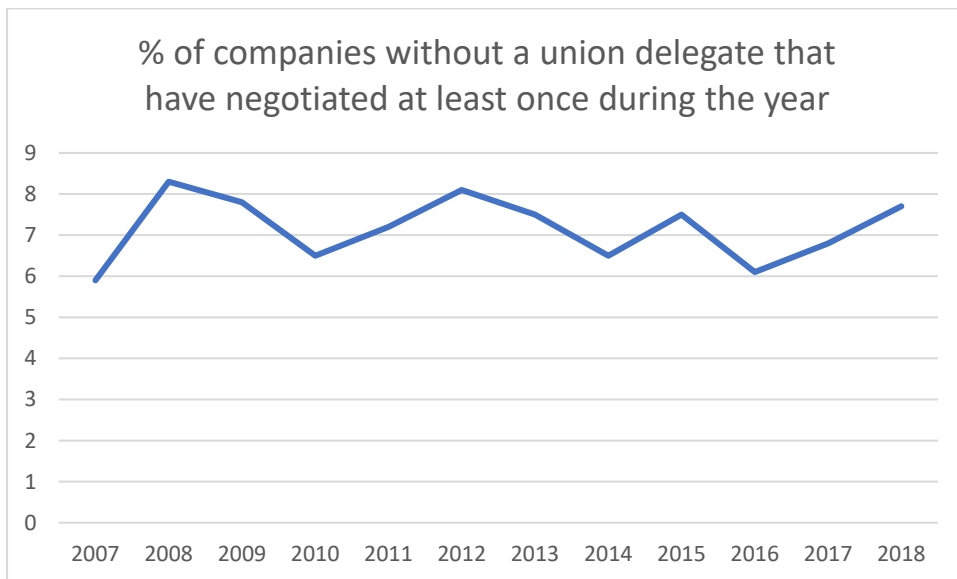
The combination of the NAO with low union density could lead to a scenario where negotiations are conducted as a procedural requirement rather than a genuine effort to improve working conditions and address worker concerns. This scenario might result in minimal advancements in workers' rights and benefits, maintaining the status quo rather than pushing for progressive changes. Consequently, while the NAO provides a framework for regular negotiations, its potential to empower workers is contingent upon the strength and density of the union representation within the workplace.

Figure 5.28: Companies with a union delegate that have negotiated at least once during the year (%)



Source: DARES, Acemo

Figure 5.29: Companies without a union delegate that have negotiated at least once during the year (%)



Source: DARES, Acemo

Figure 5.28 and Figure 5.29 demonstrate that most companies with a union delegate engage in negotiations yearly, while those without a union delegate have a much lower rate of annual

negotiation. This is because companies that have a union delegate, have to negotiate at least once a year by law. We also note that while the rate of negotiation remains fairly stable for companies that do not have a union delegate, negotiations are going up for the companies with a union delegate. However, this is not accompanied by an increase in union density and therefore means less power for workers at the negotiating table. This also means that smaller firms have a more informal negotiation style as they do not have an obligation to bargain. Béthoux and Mias (2014) observe that larger corporations often demonstrate a proclivity for structured and formal modes of communication. While this formality manifests in established protocols, hierarchical structures, and adherence to legal frameworks governing employer-employee relationships, the adherence to formalism in larger companies raises intriguing questions concerning the efficacy and authenticity of the communication processes embedded within their organisational fabric (Béthoux and Mias, 2014). The analysis further underscores that within the context of larger enterprises, some companies may engage in detached or artificially formal dialogues (Béthoux and Mias, 2014). This phenomenon prompts a critical examination of the effectiveness and sincerity of these dialogues, questioning whether they genuinely facilitate meaningful communication or merely serve as superficial gestures. The juxtaposition of formalism and authenticity introduces a dimension of inquiry into the dynamics of professional relationships in larger corporations. In contrast, Béthoux and Mias (2014) posit that smaller establishments lean towards informality in their professional dialogues. In these settings, interpersonal relationships often take precedence, and communication channels may be more direct. Smaller firms, due to their size and organisational structure, allows labour to negotiate directly with individuals in positions of authority, such as business owners or decision-makers. This direct negotiation contrasts with the more formalised structures required in larger firms, particularly as dictated by legal mandates.

The necessity for formalised structures in larger organisations emerges from the escalating complexity inherent in their organisational entities. The intricacies of decision-making processes, hierarchies, and the sheer scale of operations create challenges in establishing direct communication channels

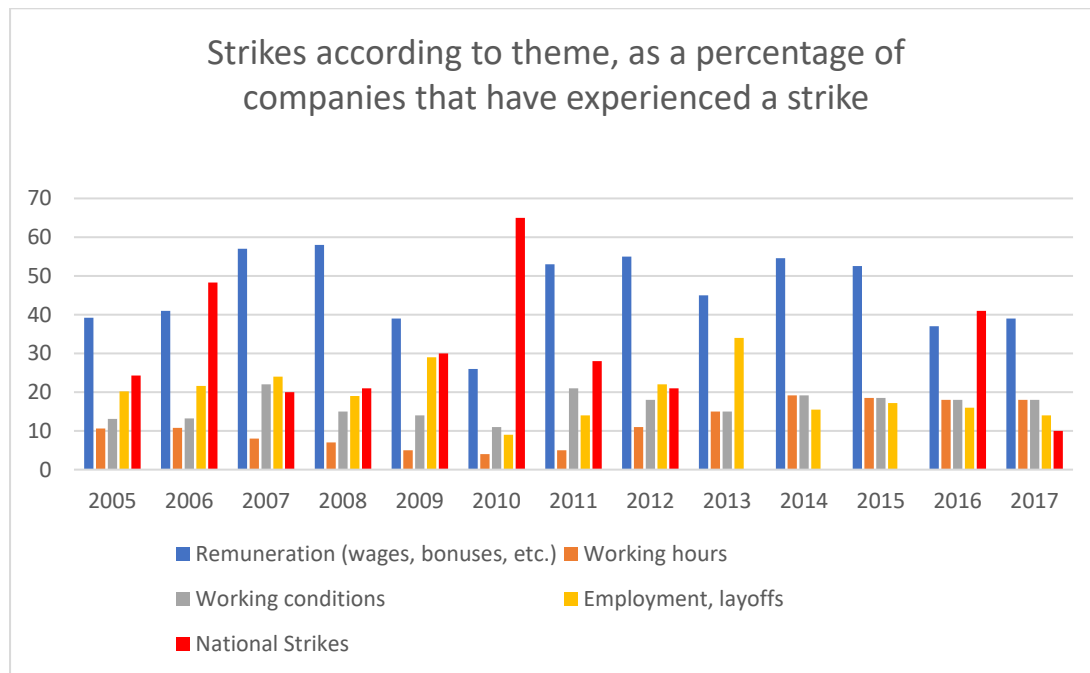
between individual workers and those wielding decision-making power. Consequently, formalism becomes a requisite mechanism for navigating the intricate web of relationships within larger corporate entities. The dialogue and negotiation processes between unions and employers are intricate, going beyond simplistic categorisations. Discussions involve not only formal negotiations but also informal exchanges and nuanced adaptations to local contexts (Béthoux and Mias, 2014). The intricacies of communication within larger corporations carry profound implications for workers' rights and their capacity to influence workplace decisions. The layered hierarchy of such organisations often obscures clarity, leaving employees in the dark about the decisions that directly affect their roles and future within the company. As information winds its way up and down the corporate ladder, the risk of distortion grows, potentially leaving workers with messages that are confusing or lack crucial details. This bureaucratic maze can create a disconnect between the daily experiences of employees and the decisions made at the top, where policies are crafted without fully considering their impact on the ground. Moreover, when the dialogues between management and staff adhere to an artificially formal script, they risk bypassing the heart of issues that concern workers, leading to feelings of frustration and marginalisation.

In such a regimented environment, the essence of collective bargaining is at risk of being lost to procedural formalities, weakening the outcomes for employees who depend on these negotiations for better working conditions. Furthermore, the formal nature of communication can stifle the organic development of solidarity among workers, as the informal chats that build community and shared purpose are supplanted by stiff corporate etiquette. Unions, tasked with bridging the gap between workers and management, find themselves up against a wall of formalism that can hamper meaningful dialogue and negotiation—crucial tools for advocating effectively for workers' interests. These formal structures, while designed to bring order to complex organisations, can ultimately render the workplace impersonal and less responsive to the genuine needs and concerns of its workforce. This lack of personal touch and understanding is especially problematic in organisations with low union

density, where workers already face an uphill battle to have their voices heard and interests fairly represented.

### 5.3.2.2 Themes

Figure 5.30: Strikes according to theme, as a percentage of companies that have experienced a strike



Source: DARES, enquête ACEMO

There is a consistent concern over remuneration as a cause for strikes throughout the years, with varying degrees of frequency. This theme appears to be one of the primary reasons for strikes. Agreements on wages and bonuses are a consistent theme as well, indicating that while it is a common point of contention, it is also an area where most agreements are signed. Strikes over working conditions appear to be less frequent than those over remuneration, but still present a notable cause for industrial action. There is a stable trend of agreements regarding working conditions, suggesting that companies are regularly negotiating and updating terms related to this theme. Strikes over working hours show some variation over the years but represent a smaller proportion of the reasons for strikes compared to remuneration. There are periods where employment and layoffs become a

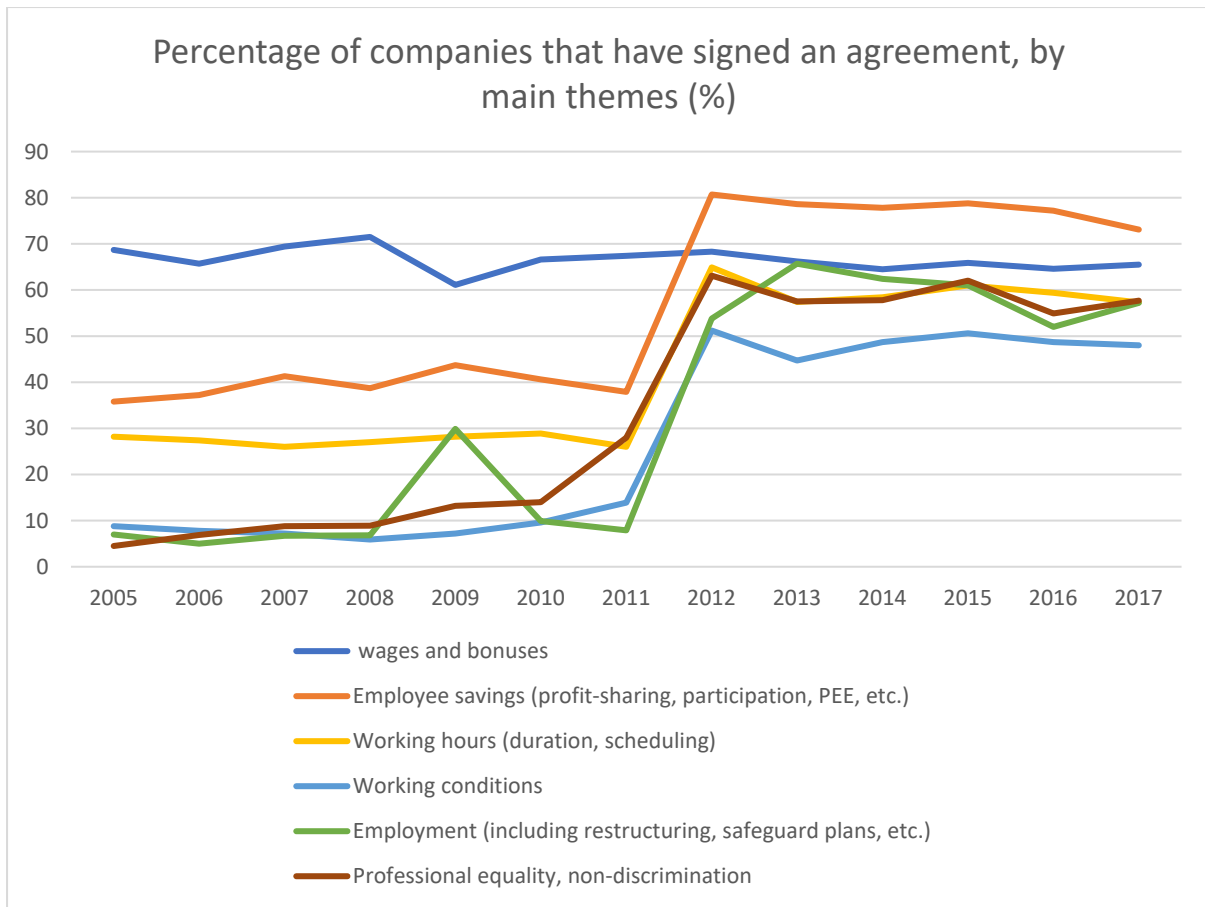
significant cause for strikes, such as around the years 2009 and 2012, which correlate with economic downturns and restructuring periods. It also sees an increase in agreements over time. National Strikes are likely in response to national policies or economic conditions and not specific company issues. There is no direct equivalent in the agreements graph.

Overall the rise in company agreements has not been associated with a decrease in conflictuality. This trend suggests that the agreements being reached may not be fully addressing the concerns or meeting the expectations of the workers. It implies that despite the apparent progress in negotiations and formal agreements, there remains an underlying dissatisfaction among the workforce. This dissatisfaction could be due to various reasons such as the agreements not adequately reflecting the workers' demands, a lack of effective communication between the management and the employees, or perhaps the agreements are seen as favouring the employer's interests over those of the employees. Consequently, even though on the surface it appears that there are efforts towards resolving workplace issues through these agreements, the persistent conflictuality points to deeper, unresolved issues.

We note a sharp increase in companies signing agreements in 2011 across all themes, except wages which has always been the highest one. However, we note that the theme on employee savings has overtaken wages as the first theme in 2012. This increase can be attributed to the 2011 reform that obligates employers to negotiate on profit sharing plans.



Figure 5.31: Percentage of companies that have signed an agreement, by main themes (%)



Source: Enquete Acemo, DARES

The observation that company agreements now cover a wider array of interconnected themes in single-package deals highlights the increasing complexity of labour negotiations (Béthoux and Mias, 2019, p. 8). Issues like strategic workforce planning in large companies embody this complexity, presenting challenges in balancing various interests and clearly communicating the trade-offs to employees (Béthoux and Mias, 2019, p. 8).

Collective bargaining in France encompasses a diverse array of topics, with negotiations occurring at various levels, primarily sector and company levels. The evolution of bargaining topics since the 1970s has expanded well beyond traditional wage setting (Vincent, 2019, p. 233). Interprofessional national agreements, initially limited to social protection, experienced a resurgence in 2007 due to the economic crisis, resulting in 19 agreements addressing labour market operations, short-time working, youth employment, and training (Vincent, 2019, p. 233). The shift in bargaining levels has notably

impacted large firms, altering the relationship between industry and company levels(Vincent, 2019, p. 234). Company-level bargaining, especially in large firms, has become a mechanism for managing employment, with unions encouraged to participate in anticipating economic changes(Vincent, 2019, p. 234). The breakdown of topics in agreements in 2015 highlights the prevalence of wages, procedure, training, retirement, health schemes, and gender equality(Vincent, 2019, p. 234). Sector-level agreements, considered the "law of the industry," regulate work norms, wages, terms and conditions of employment, and working conditions(Vincent, 2019, p. 234). While wages remain a central topic, recent trends involve qualitative agreements on issues like training, gender equality, and supplementary health schemes(Vincent, 2019, p. 234). Workplace-level bargaining has also seen an expansion of topics, including agreements on workplace gender equality and procedural matters(Vincent, 2019, p. 234).

### 5.3.3 Material Conditions

#### 5.3.3.1 *Working Time*

Working time legislation as a vehicle for flexibilisation has raised critical concerns. This section delves into how the 35-hour workweek serves as a policy of flexibilisation and the adverse implications of such policies. It will underscore the challenges posed to workers' rights and the dilution of collective bargaining power, questioning the long-term sustainability of labour market flexibilisation and its impact on the workforce. The legislative context of enterprise negotiations on working hours has evolved over the years, particularly influenced by key laws and reforms. The Auroux Law of November 13, 1982, introduced an annual obligation to negotiate within companies regarding wages, actual working hours, and the organization of working time, specifically in companies with union delegates(Zilloniz, 2014, p. 7).

From the 1980s onward, various incentive mechanisms aimed at reducing working hours were implemented, such as the Robien Law in 1996 and the Aubry Laws of 1998 and 2000(Zilloniz, 2014, p.

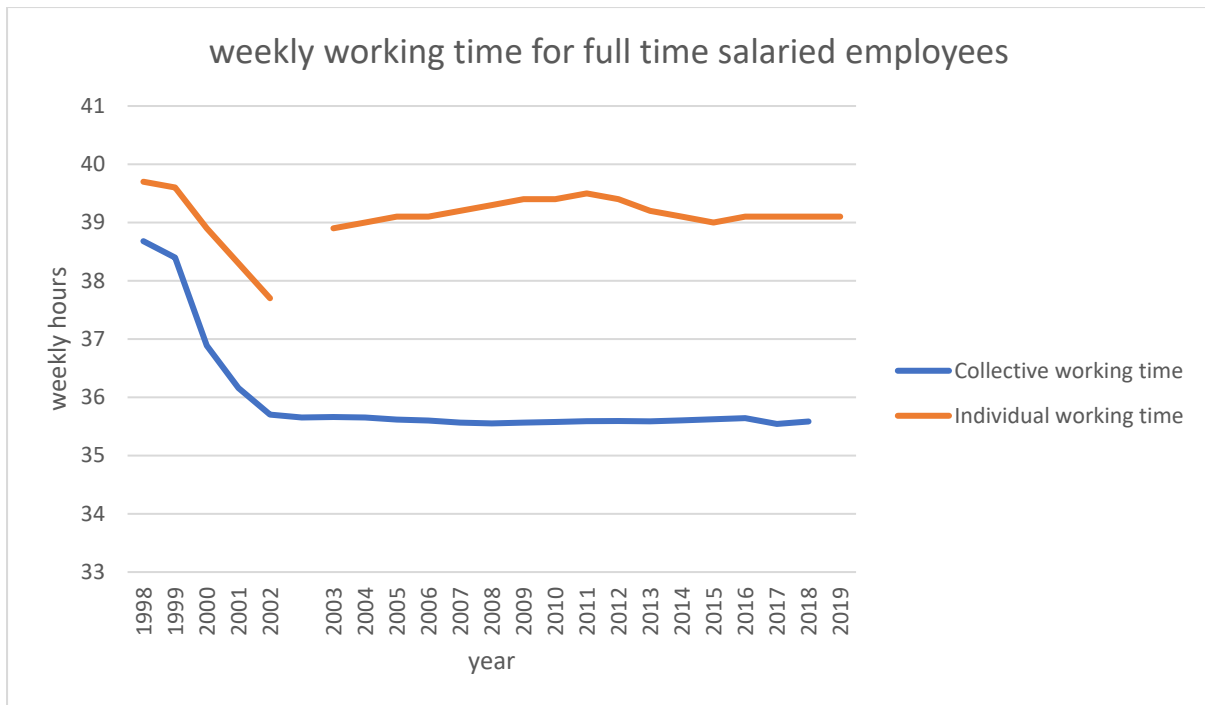
7). Financial assistance was often tied to the signing of company or sector agreements that reduced working hours, contingent upon job maintenance or creation(Zilloniz, 2014, p. 7). Starting in 2002, the focus shifted towards increasing working hours(Zilloniz, 2014, p. 7). The Fillon Law of January 17, 2003, pertaining to salaries, working hours, and employment development, raised the limit of overtime hours from 130 to 180, with the possibility for sectors to negotiate an even higher limit(Zilloniz, 2014, p. 7). Concurrently, the cost of overtime was reduced(Zilloniz, 2014, p. 7). The August 21, 2007, Law in for employment, and purchasing power introduced measures such as reduced social and employer contributions and income tax exemptions for overtime hours(Zilloniz, 2014, p. 7). The objective was to promote the use of both regular and additional hours by full-time and part-time employees. However, these provisions were revoked by the corrective finance law of August 16, 2012, except for a flat-rate deduction of social security contributions for overtime worked from September 1, 2012, onwards, applicable to businesses with fewer than 20 employees(Zilloniz, 2014, p. 7).

Until the early 1980s, sector-level agreements and the principle of favourability governed and defined company negotiations(Zilloniz, 2014, p. 7). Enterprises were constrained to adhere to the rules set by the branch or improve them in a way more favourable to employees(Zilloniz, 2014, p. 7). In 1982, the Auroux Laws introduced the possibility of negotiating derogatory agreements, primarily concerning the adjustment of working hours, sometimes to the detriment of employees(Zilloniz, 2014, p. 7). The Fillon Law of May 4, 2004, extended this rule to most negotiation topics(Zilloniz, 2014, p. 7). The August 20, 2008, Law reforming working hours established a unified module for negotiated adjustments to working hours(Zilloniz, 2014, p. 7). It prioritises enterprise negotiations over sector negotiations in determining various components of working hours, including the limit of overtime hours, their rate of increase, and the use of rights allocated to a time savings account(Zilloniz, 2014, p. 7). This comprehensive negotiation framework has had, since 2009, a potential impact on enterprise-level collective bargaining on working hours(Zilloniz, 2014, p. 7).

In short, working time policies since from the Aurox Laws onwards have decentralised the decisions on working time to the level of the firm. While France is known for its 35 hours week – the average worker has a longer working week (as seen in the graphs below). The RTT policy led to an increase in negotiation and institutionalisation of labour relations, particularly in larger companies with existing labour representation(Ulrich and Zilberman, 2007). This shift towards more structured labour negotiations is indicative of the flexibilisation of labour practices(Ulrich and Zilberman, 2007). Approximately 17% of establishments reported changes to their initial RTT implementation by 2004, mainly through establishment or company agreements(Ulrich and Zilberman, 2007). This adaptability in modifying RTT agreements points to the flexible nature of the policy(Ulrich and Zilberman, 2007).

The working time law in France, particularly through the 35-hour workweek policy, individualises working time by allowing for greater customisation of work schedules at the individual or company level. Indeed, the work week is now decided by collective convention either at the company or sector level. In addition, many workers have different schedules. This shifts from a standardised, collective approach to a more individualised one. The graph indicating strike by themes suggests that the largest strikes are national, typically in response to government-implemented policies. By moving the decision-making on working hours to the company level, the collective bargaining power of the workforce might be diluted. When negotiations and decisions are made at the individual company level, it can fragment the workforce, potentially reducing the efficacy of collective action on broader labour issues.

Figure 5.32: weekly working time for full time salaried employees



Collective Working Time: Acemo Survey  
 Individual Working Time: Insee, Employment Survey

Figure 5.32 above compares the data for collective weekly working time and individual weekly working time.

The collective weekly working time measures the common work duration for a group of full-time employees (Pak and Zilberman, 2013). When it exceeds the legal duration, it includes regular overtime hours, known as "structural" overtime, performed collectively by employees of companies that have not reduced their work duration to 35 hours or have only partially reduced it (Pak and Zilberman, 2013). Usually defined on a weekly basis, the collective duration can also be calculated annually, taking into account holidays and rest days (Pak and Zilberman, 2013).

The individual weekly working duration applies to a normal week without any exceptional events (public holidays, leave, etc.): it includes all the hours usually worked, including regular overtime, performed on an individual basis (Pak and Zilberman, 2013). This means that the average worker has a working week which exceeds 35 hours, and is closer to 39 hours as the graph above suggests. It is complicated to have meaningful data on the way that the extra-time is recuperated, either through

days off or monetary compensation. Therefore, while the average working week is 39 hours and not 35, it is complicated to measure the extent of uncompensated overtime. This flexibility in working time tends to be advantageous for employers who can benefit from workers working longer hours during periods of high demand.

The implementation of Reduced Working Time (RTT) significantly influenced the development of industrial relations in establishments(Zilloniz, 2014, p. 5). Between 1998 and 2004, there was an increase in the presence of union delegates and elected institutions, along with intensified discussions and negotiations(Zilloniz, 2014, p. 5). Establishments that applied RTT earlier (around 2000) witnessed increased union coverage and negotiation activities, even after the RTT process was completed, especially on employment and working conditions(Zilloniz, 2014, p. 5). There was also a notable increase in workplace conflicts, particularly regarding salaries and social climate, especially in establishments that implemented RTT later or not at all(Zilloniz, 2014, p. 5). This indicates that RTT not only affected work hours but also had a broader impact on industrial relations and conflict within organisations.

Negotiations on working time in France have largely focused on duration and flexibility, with a significant portion of establishments discussing collective flexibilisation (like modulation and annualisation) and/or individual time adjustment (such as time savings accounts and buyback of leave days)(Zilloniz, 2014, p. 4). These discussions often occur alongside other negotiation themes and are more prevalent in establishments with union representatives. The trends indicate that there's a strategic use of working time negotiations to implement flexibility measures, sometimes at the expense of workers, highlighting a shift towards internal flexibility to manage economic challenges(Zilloniz, 2014, p. 5).

A notable example of the adverse impact of RTT is the 2004 scenario at the Bosch factory in Vénissieux. The majority of employees agreed to increase their workweek to 36 hours without salary

compensation, as a measure to prevent the relocation of production to the Czech Republic. This instance exemplifies how RTT reforms can lead to employment blackmail, compelling workers to accept unfavourable conditions to secure their jobs.

The implementation of RTT allowed employers to introduce or enhance workplace flexibility, which had consequences for work conditions. This change intensified inequalities among workers based on socio-professional categories, age, and across sectors and companies(Askenazy et al., 2004, p. 153).

The RTT legislation was framed as a means for companies to improve performance(Askenazy et al., 2004, p. 155). This improvement was anticipated to arise from work reorganisations that allowed for a more flexible temporal organisation of work, particularly through the variation of working hours(Askenazy et al., 2004, p. 155).

For employers, these reorganisations were more straightforward to negotiate at the most decentralised levels, namely at the individual company or establishment level(Askenazy et al., 2004, p. 155). This is contrasted with broader sector-level negotiations(Askenazy et al., 2004, p. 155).

The period since the mid-1980s saw a transition from branch-level to company-level negotiations(Askenazy et al., 2004, p. 155). This shift was significantly propelled by the RTT legislations (Askenazy et al., 2004, p. 155). The implication is that the RTT laws encouraged, or perhaps necessitated, more bespoke, company-specific arrangements rather than industry-wide agreements(Askenazy et al., 2004, p. 155).

The impact of RTT on company-level negotiations is quantitatively notable. Prior to the RTT laws, the number of company agreements was relatively modest, barely reaching 10,000 by the end of the 1980s(Askenazy et al., 2004, p. 155). However, this number surged past this threshold by 1997 following the Robien Law, and further tripled in 1999 with the introduction of the first Aubry Law(Askenazy et al., 2004, p. 155).

This highlights the significant influence of RTT legislation on the landscape of labour negotiations in France, shifting the focus to more localised, company-specific agreements, and accelerating a move towards more flexible work arrangements.

Unions were divided on issues like flexibility and working hours for executives. This division led to inconsistencies in their participation and agreement to branch-level negotiations(Askenazy et al., 2004, p. 157).

Since 1982, there have been possibilities for modulating the duration of work throughout the year. This approach allowed for avoiding the payment of overtime by adjusting work hours based on seasonal or operational needs. Over time, the legal framework governing this modulation became more flexible, leading to the development of three distinct types of modulation(Askenazy et al., 2004, p. 160).

A significant number of branch-level agreements, negotiated between the two Aubry laws, incorporated the option of work time modulation. This was true even for sectors that were not significantly affected by seasonal fluctuations, indicating a broad adoption of this flexible approach(Askenazy et al., 2004, p. 160).

The implementation of RTT acted as a catalyst for many companies as it allowed them to introduce a more flexible temporal organisation of work, aligning work hours more closely with actual operational needs and reducing the necessity of paying for overtime and avoiding unproductive idle times(Askenazy et al., 2004, p. 160).

The monographic study by Charpentier et al. (2004) sheds light on "Aubry 2" companies, highlighting that these companies adopted the 35-hour workweek without a clear economic project or organisational plan(Askenazy et al., 2004, p. 162). In 1999, 23% of employees in companies with more than ten people worked in places with a planned modulation system, and 20% were in companies that had already implemented it(Askenazy et al., 2004, p. 162). These figures show a significant increase



from 1994, where only 10% and 6% of such employees were in companies with these systems, respectively(Askenazy et al., 2004, p. 162).

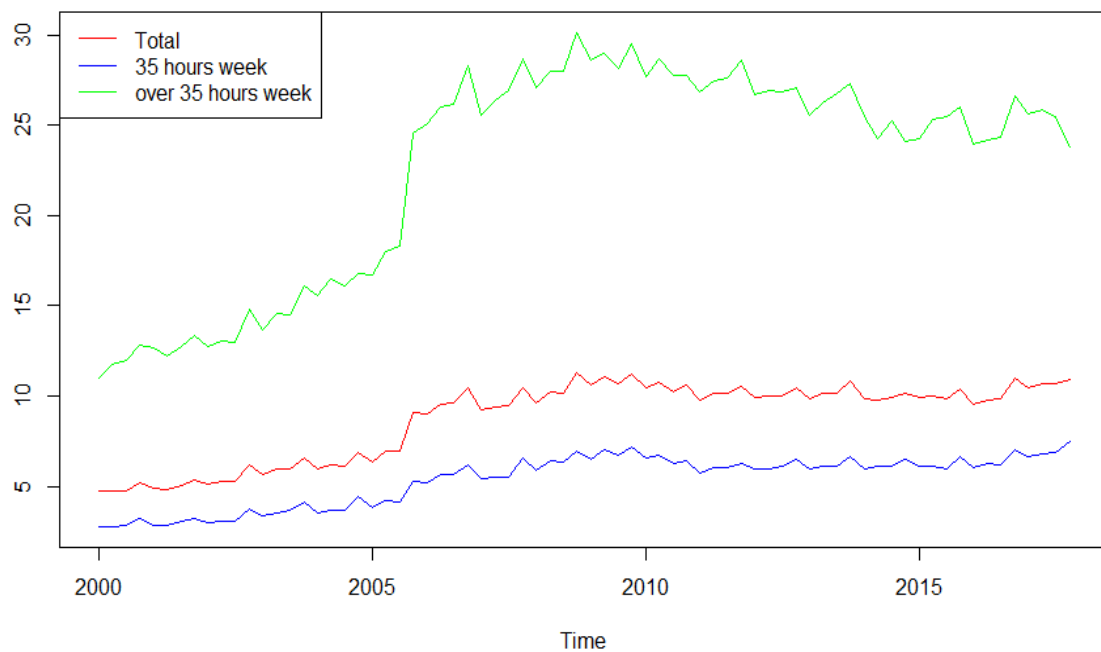
The modulation of work hours or RTT days were used to smooth out company activities, helping to avoid situations like partial unemployment or the need for overtime(Askenazy et al., 2004, p. 162). However, this often resulted in tighter scheduling, which employees perceived as a worsening of their work conditions(Askenazy et al., 2004, p. 162).

The introduction of the 35 hour workweek has also led to reinforced inequalities within the workforce(Askenazy et al., 2004, p. 168). These inequalities are evident across different socio-professional categories, statuses, ages, and between companies and sectors(Askenazy et al., 2004, p. 168). Workers, particularly manual workers and non-managerial employees, have faced a deterioration in work conditions and an intensification of work(Askenazy et al., 2004, p. 168). Some have also seen a reduction in their remuneration due to the elimination of overtime hours(Askenazy et al., 2004, p. 168). In contrast, 'cadres' and most technicians have retained their autonomy at work and benefited from RTT days, a change particularly appreciated by women in executive positions(Askenazy et al., 2004, p. 168).

The potential for these changes to foster or intensify divisions within the workforce, thereby influencing the overall unity and sense of solidarity among employees, is significant. Divergent experiences and advantages stemming from the legislation contribute to this. Such changes might disrupt the conventional rhythm and routine in workplaces, with possible repercussions on teamwork and cohesion. Moreover, the trend towards agreements tailored to specific companies, coupled with the inconsistent application of the RTT across various sectors and businesses, could affect the collective bargaining strength of workers. This situation might engender a sense of fragmentation, as employees in distinct companies or sectors encounter different impacts from the laws. Furthermore, the varied effects of the RTT laws on different employee groups could give rise to tensions at work. Those who perceive themselves as disadvantaged or who are enduring more adverse consequences

might harbour feelings of resentment or detachment from colleagues who have reaped greater benefits from the legislative changes.

Figure 5.33 1. Quarterly average overtime (in hours) declared per full time employee according to the collective weekly working time (as declared per the employer)



Source: Enquete ACEMO

The increase in the number of overtime hours reported in the fourth quarter of 2007 may partly reflect a change in the reporting behaviour of companies responding to the survey. Analysis conducted by the Dares indicates that not all overtime hours were being declared by companies in the Acemo survey. It is particularly noted that companies with a collective weekly duration of more than 35 hours had been failing to declare a portion of the regularly worked overtime hours, known as "structural" overtime, in recent years.

The implementation of the measures related to overtime hours in the law in favour of work, employment, and purchasing power (Tepa Law) of August 21, 2007, which came into effect from the fourth quarter of 2007, likely reduced this underreporting bias in the survey. The associated reductions

in social security contributions led companies to more accurately record overtime hours. This has influenced the extent of the changes observed between the periods before and after the implementation of these provisions.

This provides evidence that working hours have been underreported, and while the incentive has increased the number of overtime reported, it is very likely that overtime is still underreported and begs further questions on the extent to which employees are being compensated for this overtime.

This suggests that legislative policies can significantly impact how companies report and manage working hours, highlighting the importance of considering the indirect effects of laws on companies' reporting practices in the field of working time.

Furthermore, we can see on the graphs above that working hours as a strike theme and working hours as an agreement theme has seen an increase since 2011. This highlights that both discussions and conflictuality have increased on this theme.

The examination of working time legislation reveals a significant shift towards flexibilisation, increasingly individualising work schedules and potentially diluting collective labour power. The transition from standard to flexible work hours, while offering adaptability, also raises questions about the adequacy of compensation for overtime and the real impact on workers' rights.

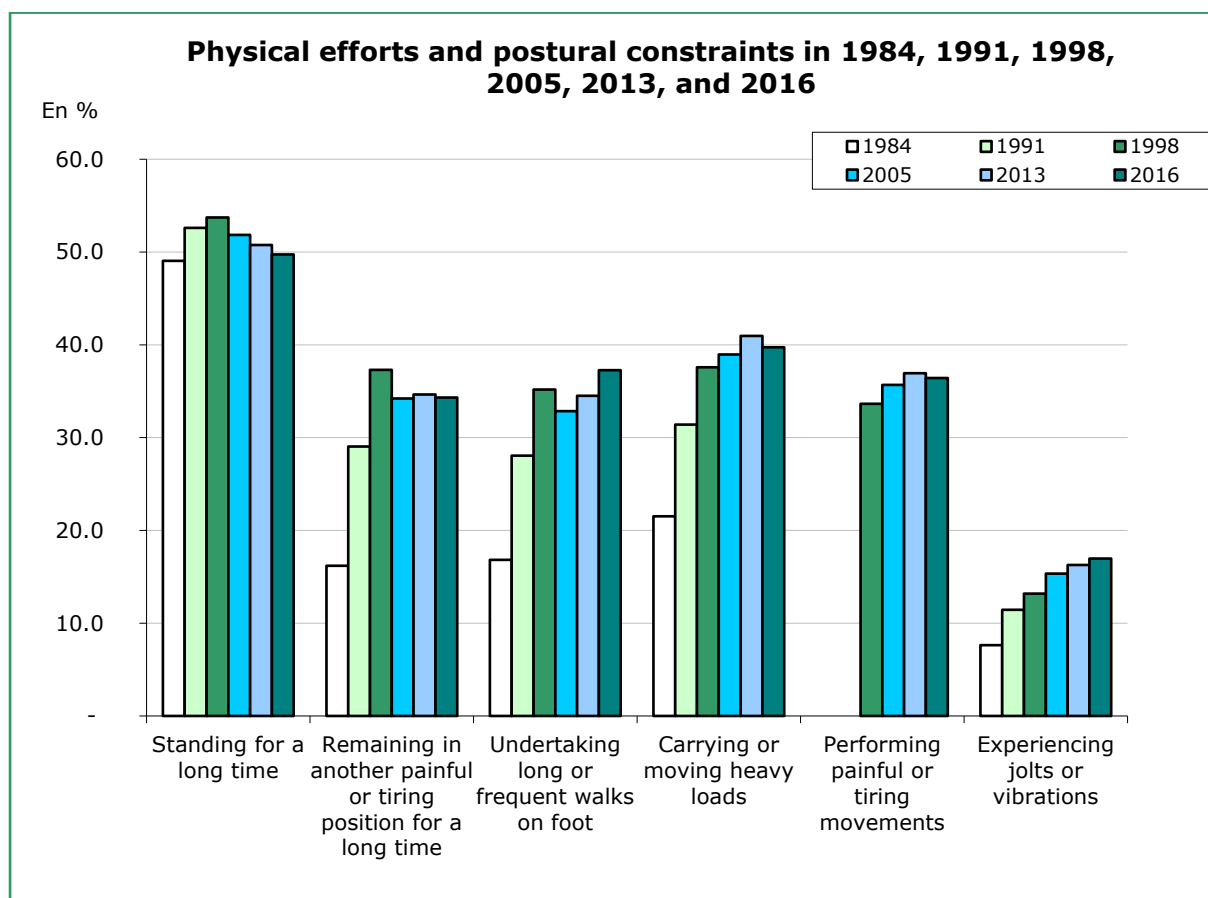
### *5.3.3.2 Working Conditions*

Since the 1980s, the French workforce has experienced significant transformations, not just in terms of employment patterns but also in the nature of work itself. This analysis delves into the evolving working conditions in France, specifically focusing on the physical strain experienced by workers across various occupational categories from 1984 to 2016.

Drawing upon comprehensive data from the Dares-Drees-DGAFP-Insee Working Conditions surveys, this section aims to shed light on the trends and changes in the labour market through a meticulous

examination of the physical demands placed upon French workers. Our exploration is not merely a statistical recount but is deeply rooted in the Marxist Political Economy framework. This perspective allows us to critically analyse how labour market flexibilisation, a phenomenon observed globally, manifests in the French context. We seek to understand these changes not just as isolated economic events, but as parts of a larger narrative of labour and capital dynamics.

Figure 5.34: Physical efforts and postural constraints



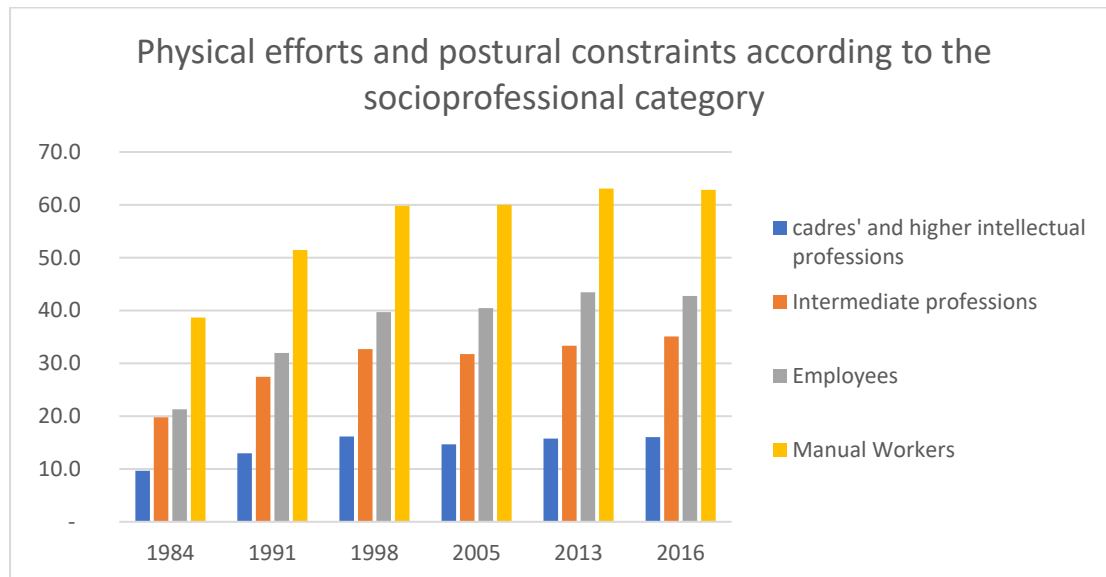
Field: the entirety of employees; Metropolitan France.  
 Source: Dares-Drees-DGAFP-Insee, Working Conditions surveys.

There is a noticeable increase in the proportion of salaried workers reporting physical strain or discomfort. The data suggests a consistent and pervasive trend of worsening working conditions in terms of physical demands on employees.

The analysis over time reveals evolving patterns in the reported physical efforts and postural constraints among employees in France from 1984 to 2016. The data spans several socioprofessional categories, allowing for a comprehensive understanding of trends in the flexibilisation of the labour market.

There is a noticeable increase in the proportion of workers across various occupational categories reporting long periods of standing. The data reveals an overall increase in the proportion of workers reporting other physically demanding postures. Across different categories, there is a general increase in the proportion of workers reporting the need for frequent walking or movement. The data indicates a consistent rise in the proportion of workers reporting the need to lift or move heavy loads. The proportion of workers reporting painful or tiring movements has increased across various occupational categories. The data on vibrations or shocks shows a general increase in the reported proportions.

Figure 5.35: Physical efforts and postural constraints according to the socioprofessional category

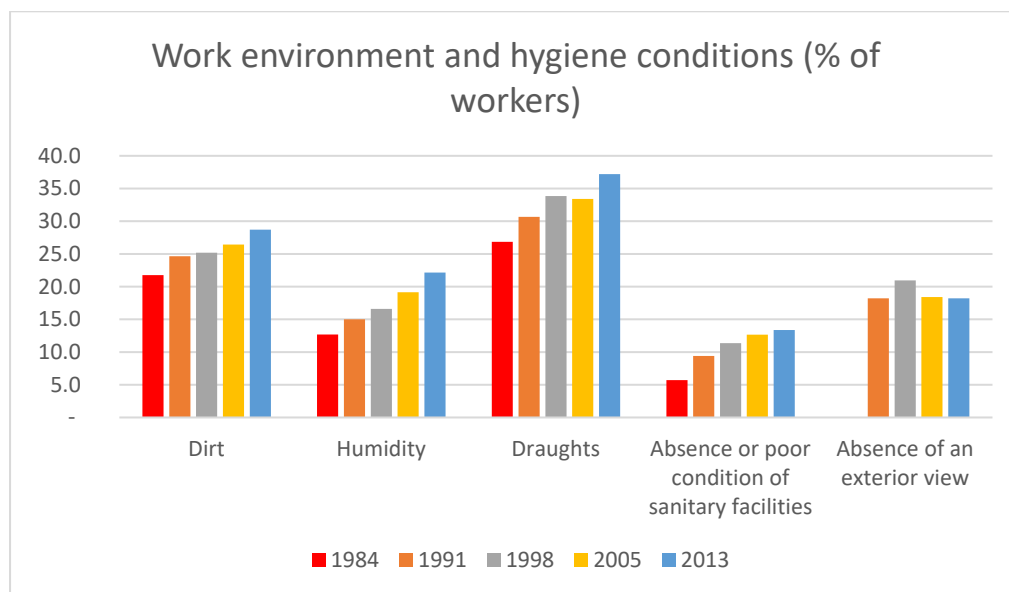


Field: the entirety of employees; Metropolitan France.  
Source: Dares-Drees-DGAFP-Insee, Working Conditions surveys.

We have averaged the values for each physical and postural constraints for the visual representation of the data as the fluctuations are similar for each category.. Manual workers consistently show the

highest index values across all the years, indicating that they experience the most physical strain and postural constraints. In contrast, cadres' and higher intellectual professions have the lowest index values, suggesting that they experience the least physical strain in their work.

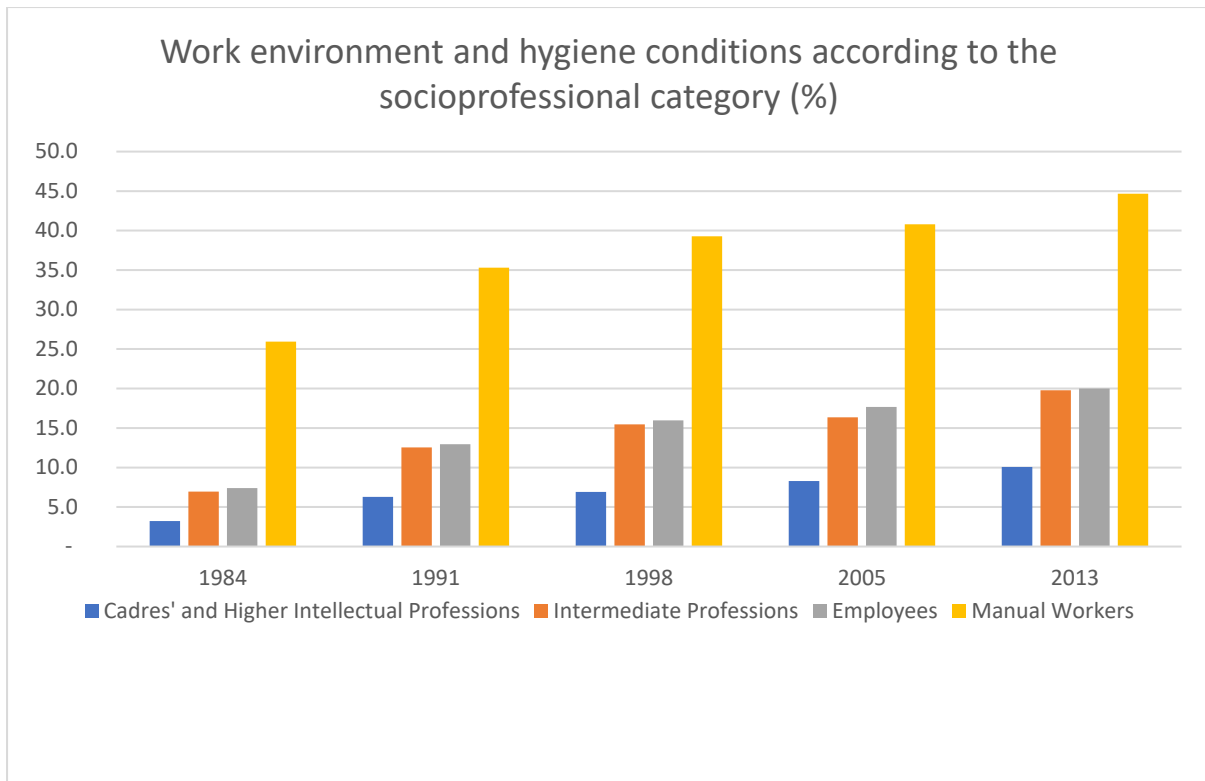
Figure 5.36: Work environment and hygiene conditions (% of workers)



Field: the entirety of employees; Metropolitan France.  
 Source: Dares-Drees-DGAFP-Insee, Working Conditions surveys.

Over the span from 1984 to 2013, the proportion of workers reporting dirt in their workplace has seen a consistent rise from 21.8% to 28.7%. Similarly, complaints of humidity have also shown an upward trend, climbing from 12.7% to 22.2% in the same period. Issues with draughts have escalated as well, starting at 26.9% and reaching a peak of 37.2% by 2013. Moreover, the percentage of workers highlighting the absence or poor condition of sanitary facilities has more than doubled, increasing from a modest 5.7% to 13.4%. Regarding the absence of an exterior view, data commences from 1991, not 1984. From 1991 onwards, there have been slight fluctuations, with the percentage peaking in 1998 at 20.9% and returning to the 1991 level of 18.2% by 2013.

Figure 5.37: Work environment and hygiene conditions according to the socioprofessional category (%)



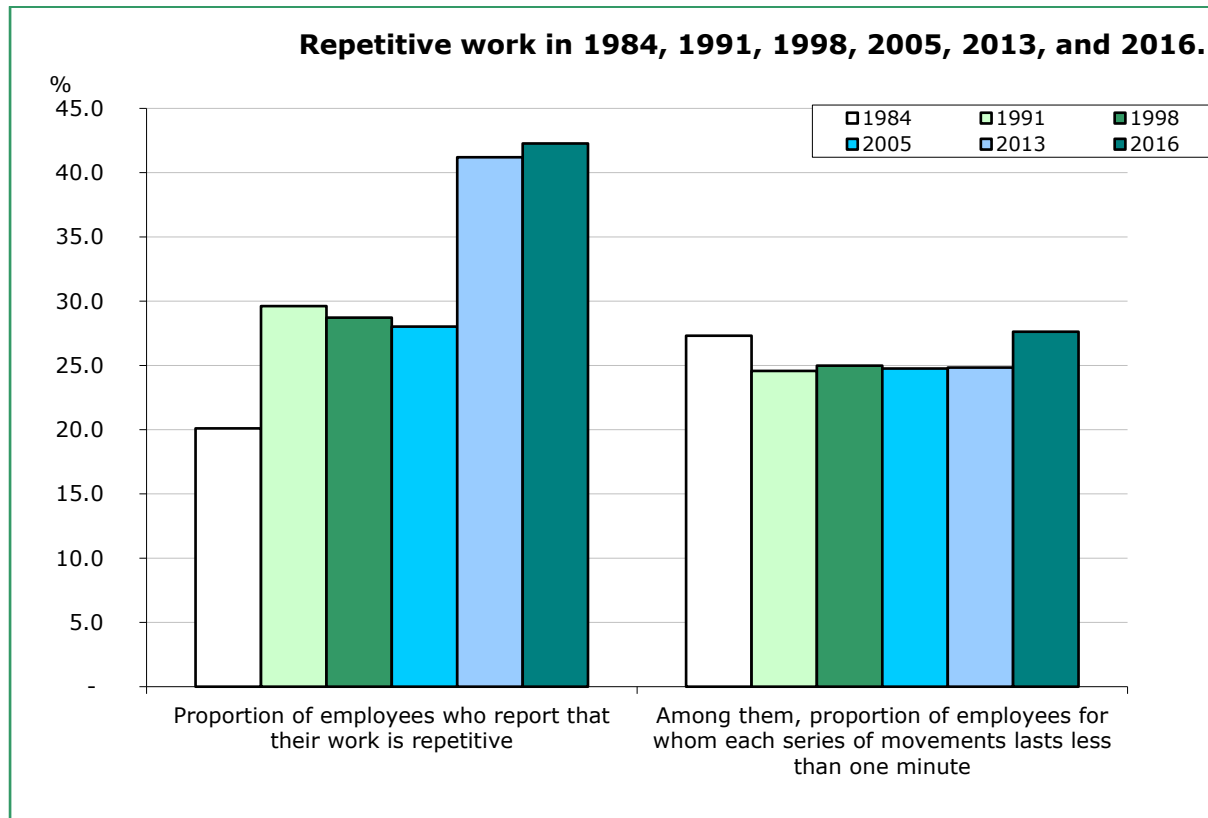
Field: the entirety of employees; Metropolitan France.  
Source: Dares-Drees-DGAFP-Insee, Working Conditions surveys.

We have averaged the values for each work and environment conditions for the visual representation of the data as the fluctuations are similar for each category.

The chart entitled "Work environment and hygiene conditions according to the socioprofessional category" provides an insightful look into the varying conditions faced by different professional groups over the years 1984, 1991, 1998, 2005, and 2013. From the visual data, it is evident that Manual Workers consistently report higher percentages, indicating that they might be subjected to less favourable work environment and hygiene conditions when compared to other categories. This group also shows an upward trajectory in reported issues, with a significant surge in 1998 and the most pronounced conditions observed in 2013. On the other hand, 'Cadres' and Higher Intellectual Professions have the lowest percentages on the chart. The data for the remaining categories—

Intermediate Professions and Employees—demonstrate some fluctuations over the observed years, but overall has been increasing.

Figure 5.38: Repetitive work



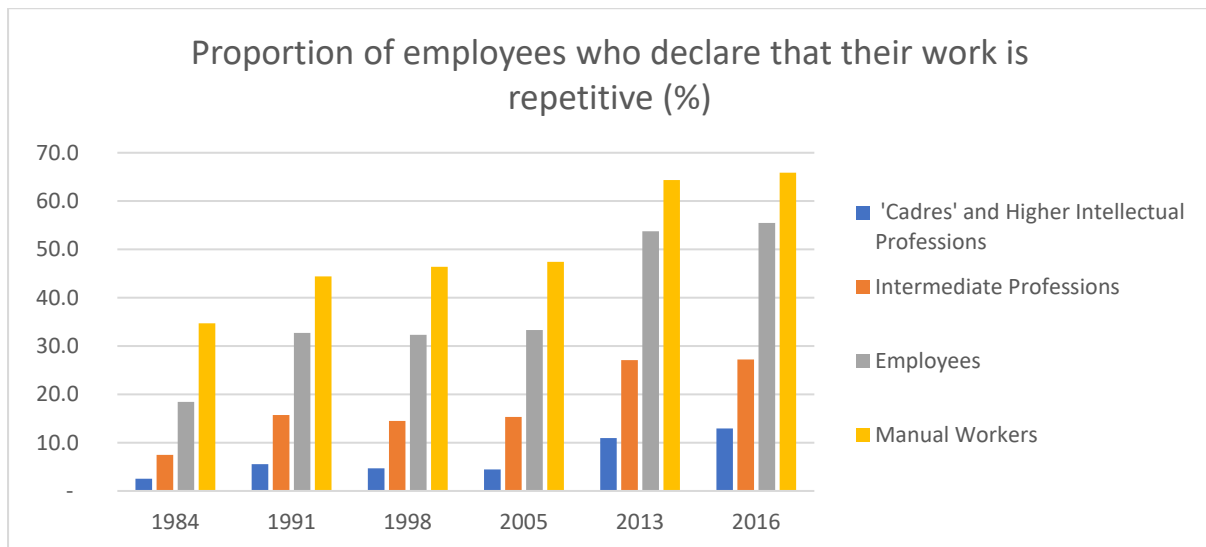
Field: the entirety of employees; Metropolitan France.  
Source: Dares-Drees-DGAFP-Insee, Working Conditions surveys.

In 1984, a fifth (20.1%) of employees characterised their work as repetitive, with over a quarter (27.3%) of this group performing tasks in series that lasted less than a minute. Seven years later, in 1991, the figure for employees facing repetitive tasks climbed notably to almost a third (29.6%), though there was a slight decrease in the number experiencing brief series of movements, down to 24.6%. Between 1998 and 2005, the proportion of employees reporting repetitive work stabilised in the high twenties, while those with short-movement series hovered consistently around 25%. A



significant rise occurred in 2013, with 41.2% of employees indicating they performed repetitive work, and 24.8% of them engaged in sequences of movements under one minute. By 2016, there was a small increase in employees reporting repetitive tasks to 42.3%, and a concurrent rise in those with brief movement series to 27.6%. The data from this period indicates that although there has been an overall increase in employees experiencing repetitive work, the incidence of very short repetitive tasks has not exhibited a similarly clear upward trajectory, showing less pronounced variation over time.

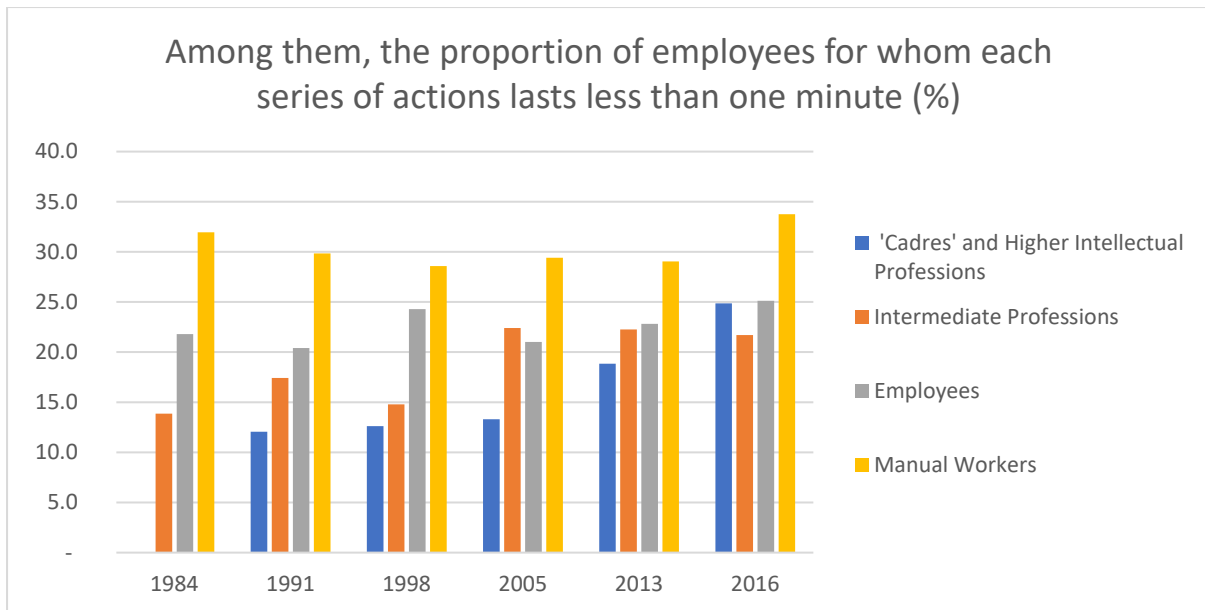
Figure 5.39: Proportion of employees who declare that their work is repetitive (%)



Field: the entirety of employees; Metropolitan France.

Source: Dares-Drees-DGAFP-Insee, Working Conditions surveys.

Figure 5.40: Among them, the proportion of employees for whom each series of actions lasts less than one minute (%)



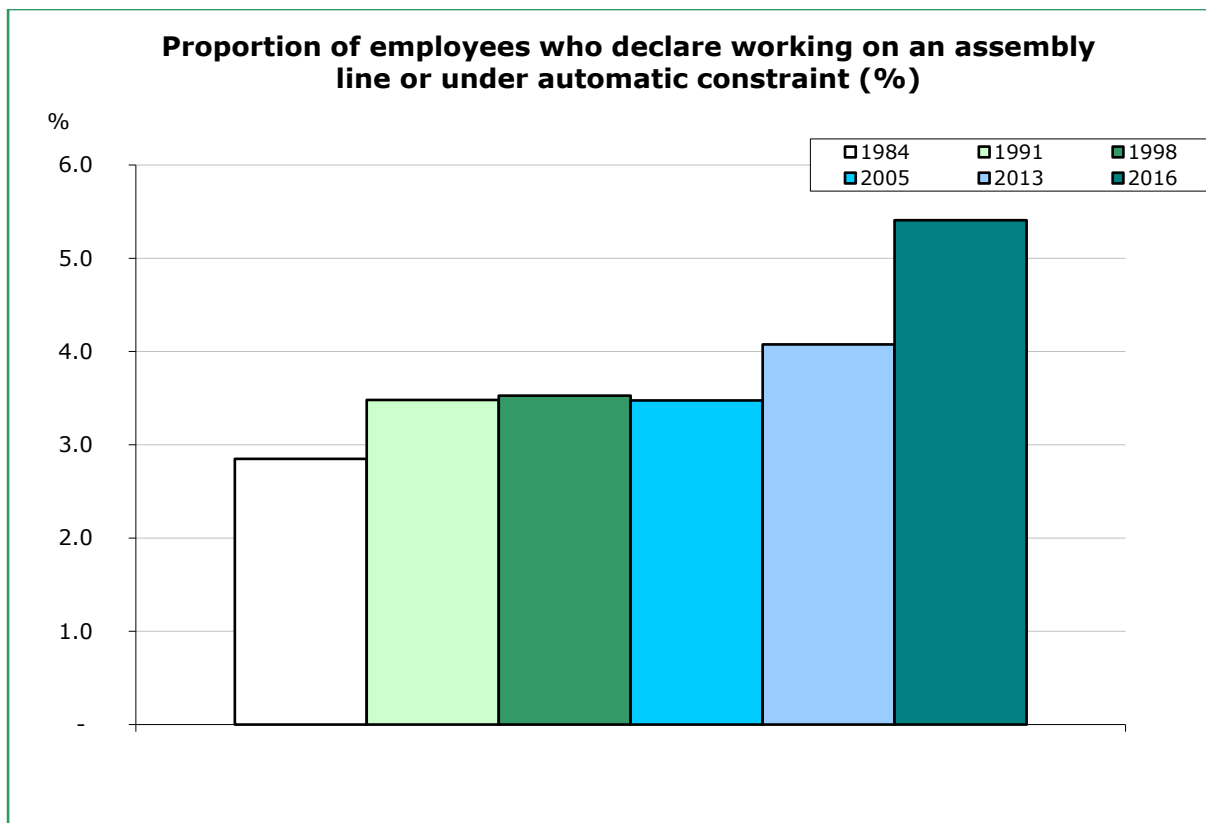
Field: the entirety of employees; Metropolitan France.

Source: Dares-Drees-DGAFP-Insee, Working Conditions surveys.

Regarding repetitive work, Manual Workers consistently report the highest proportion of such tasks throughout the years, in contrast to 'Cadres' and Higher Intellectual Professions, who report the least. This implies that roles in manual labour are more prone to repetitiveness.

As for the proportions of short repetitive tasks, the results in the second chart are more varied without a discernible pattern for any group consistently having the highest or lowest percentages. This indicates that the length of repetitive tasks is distributed more uniformly across different professions.

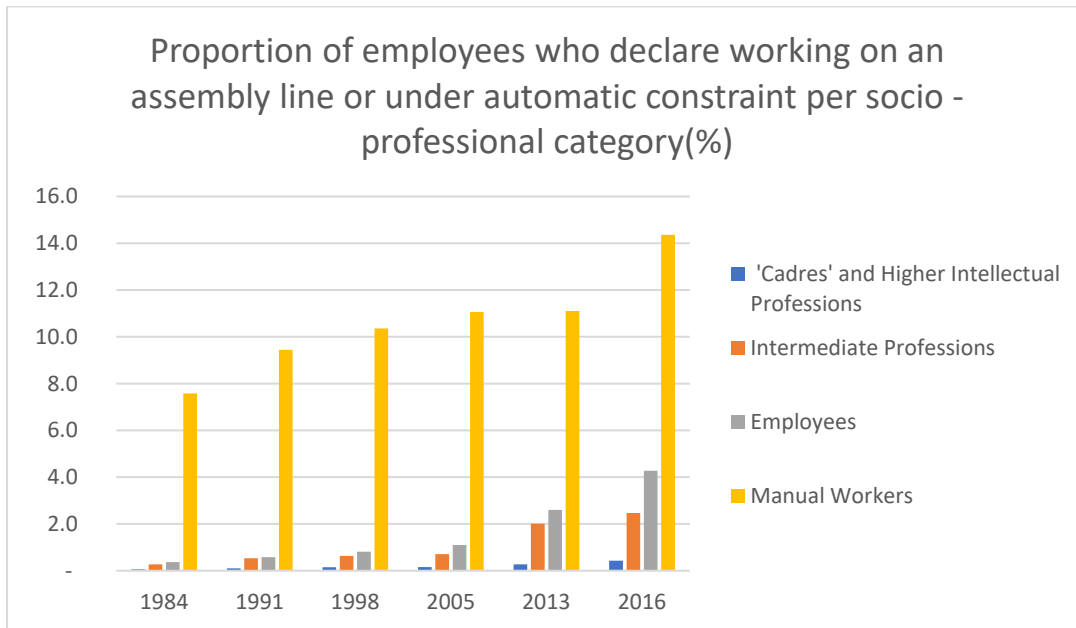
Figure 5.41: Proportion of employees who declare working on an assembly line or under automatic constraint (%)



Field: the entirety of employees; Metropolitan France.  
Source: Dares-Drees-DGAFP-Insee, Working Conditions surveys.

The trend captured in the data suggests that an increasing percentage of workers report working on an assembly line or under automatic constraints.

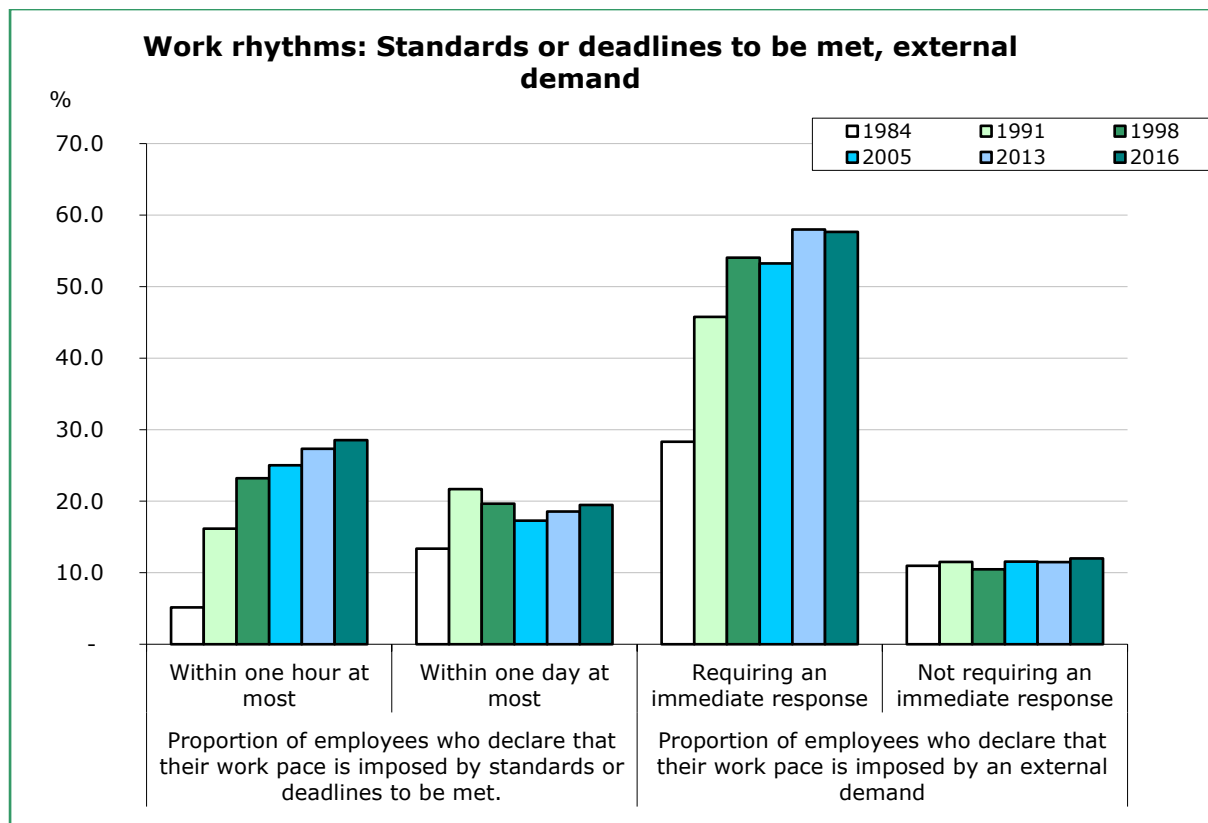
Figure 5.42: Proportion of employees who declare working on an assembly line or under automatic constraint per socio - professional category(%)



Field: the entirety of employees; Metropolitan France.  
 Source: Dares-Drees-DGAFP-Insee, Working Conditions surveys.

The yellow bars on the chart, denoting manual workers, consistently show the highest percentages throughout the entire timeline, suggesting that individuals in this group are more inclined to report working on an assembly line or under automatic constraint. Over the years, a distinct pattern emerges for manual workers, with an upsurge in the percentages from 1984 to 1998, a subsequent decrease by 2005, followed by a minor uptick again towards 2016. In stark contrast, the blue bars, which represent 'cadres' and higher intellectual professions, consistently register the lowest percentages, indicating that such work environments are least prevalent in these professions. Meanwhile, the intermediate professions and employees, depicted by the orange and grey bars respectively, also show relatively low percentages, with some year-on-year fluctuations observed, although these are less marked than the fluctuations seen in the manual workers' data.

Figure 5.43: Work rhythms: Standards or deadlines to be met, external demand



Field: the entirety of employees; Metropolitan France.  
 Source: Dares-Drees-DGAFP-Insee, Working Conditions surveys.

The observed trends in the labour market, as outlined, suggest a significant shift towards roles with more immediate and short-term pressures. The increase in jobs categorised under "within one hour at most" and "within one day at most" is indicative of a labour market evolving towards tighter deadlines, necessitating tasks to be completed within constrained timeframes. This change reflects the growing pace of modern work environments, where efficiency and rapid service delivery are increasingly prioritised.

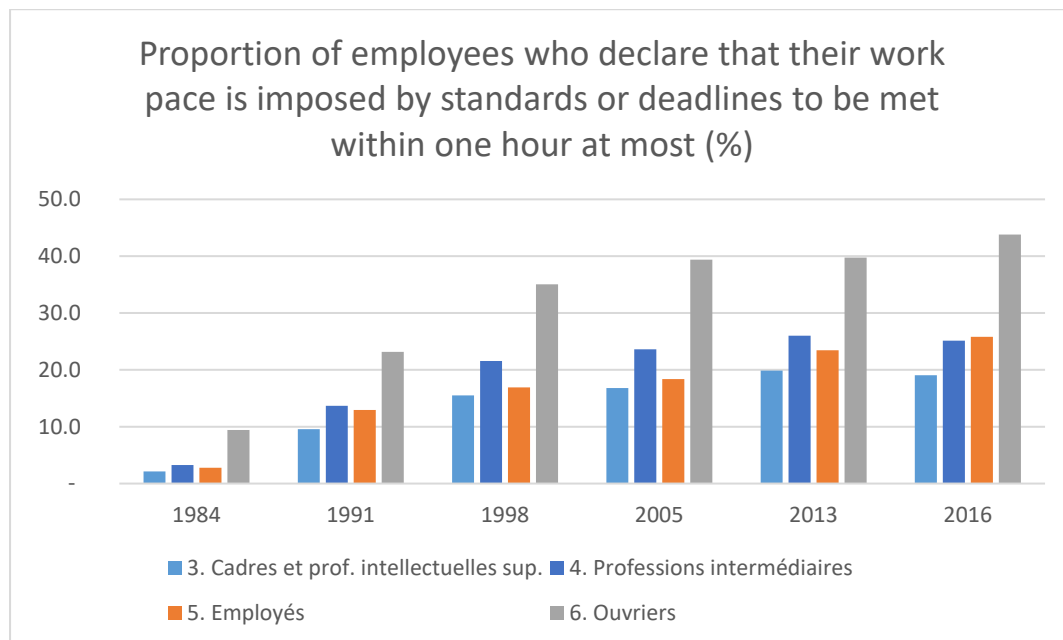
In contrast, the decline in roles not requiring an immediate response points to a diminishing presence of jobs that offer flexibility in response times, further underscoring the shift towards a more fast-paced work setting. This trend is likely influenced by evolving work cultures and the advancements in

technology, which not only enable but sometimes necessitate quicker communication and task execution.

The implications of these trends on employee well-being and work-life balance are critical to consider.

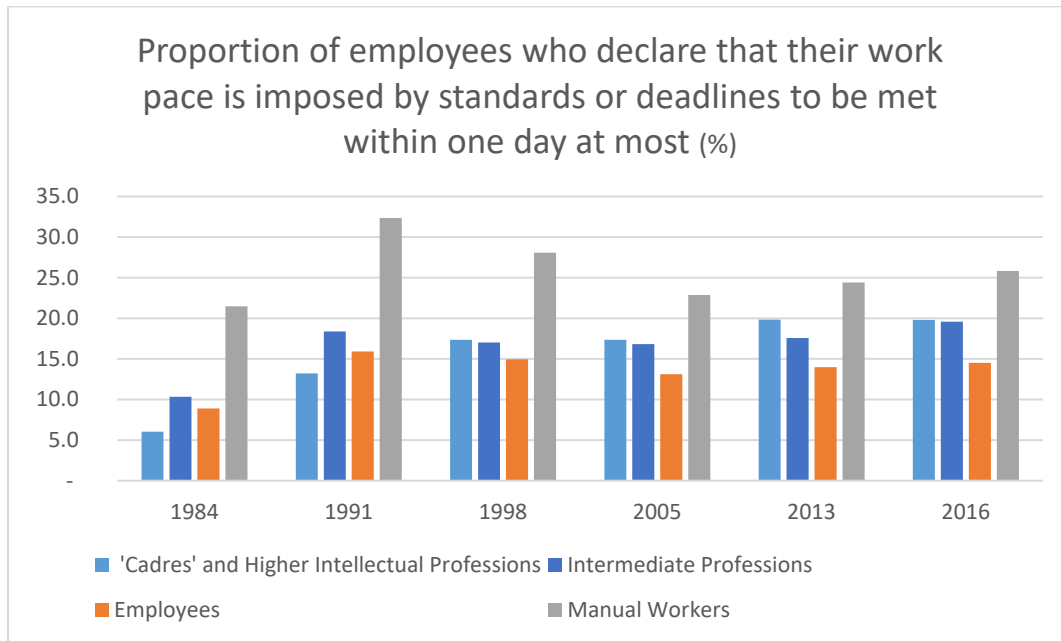
The constant pressure to meet immediate deadlines may have adverse effects, potentially leading to increased stress and burnout among employees.

Figure 5.44: Proportion of employees who declare that their work pace is imposed by standards or deadlines to be met within one hour at most (%)



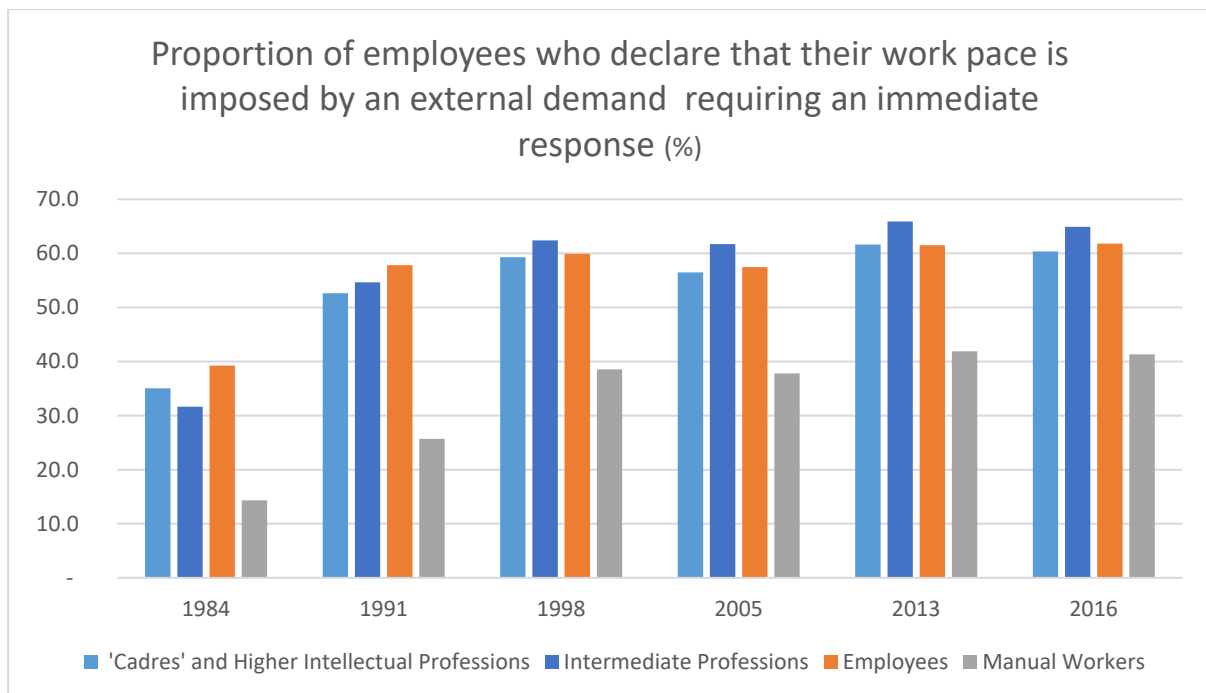
Field: the entirety of employees; Metropolitan France.  
Source: Dares-Drees-DGAFP-Insee, Working Conditions surveys.

Figure 5.45: Proportion of employees who declare that their work pace is imposed by standards or deadlines to be met within one day at most (%)



Field: the entirety of employees; Metropolitan France.  
Source: Dares-Drees-DGAFP-Insee, Working Conditions surveys.

Figure 5.46: Proportion of employees who declare that their work pace is imposed by an external demand requiring an immediate response (%)



Field: the entirety of employees; Metropolitan France.  
Source: Dares-Drees-DGAFP-Insee, Working Conditions surveys.

Figure 5.47: Proportion of employees who declare that their work pace is imposed by an external demand not requiring an immediate response (%)



Field: the entirety of employees; Metropolitan France.  
 Source: Dares-Drees-DGAFP-Insee, Working Conditions surveys.

In the examination of the provided charts, it has been observed that across various professional categories in France, there is a discernible trend towards an increase in the proportion of employees whose work pace is dictated by immediate standards or deadlines. Chart 1 reveals a particularly striking rise among 'Cadres' and higher intellectual professions by 2013, suggesting a heightened immediacy in occupational pressures, a trend more pronounced in this group when contrasted with manual workers. Chart 2 further illustrates this intensification of work pace, with a convergence in 2013 across all professions, save for manual workers, hinting at an equalisation of daily deadline pressures amongst predominantly non-manual roles.



The third chart exposes a consistently high level of immediate demands placed upon all professional categories, with a recent slight decrease for 'Cadres' and higher intellectual professions, whilst intermediate and other employees are experiencing an escalation. Contrastingly, manual workers report a substantial though lesser degree of immediate demand, reflecting the reactive nature of such labour. The fourth chart delineates a stark increase over time in 'Cadres' and higher intellectual professions facing demands that do not necessitate an instant response, peaking in 2016, whereas manual workers exhibit minimal change, likely due to the more systematic nature of their tasks.

A synthesis of these insights underscores the elevated and diverse pressures 'Cadres' and higher intellectual professions contend with, in contrast to the steadier state of manual workers. Such pressures are not only immediate but also encompass short-term deadlines, whereas manual roles maintain a level of consistency. The discrepancy between 'Cadres' and manual workers is marked, with the former experiencing a sharp rise in non-immediate demands, possibly reflecting the contemporary expectation of managerial and professional staff to be perennially prepared, a potential side effect of the digital era's omnipresent connectivity.

These increasing pressures could be indicative of the deepening of capitalist dynamics, with potential implications such as worker alienation and the further commodification of labour.

The deterioration of working conditions is a phenomenon that has been universally acknowledged across the professional spectrum. However, paradoxically, there has been an increase in agreements pertaining to working conditions. This incongruity suggests that the formalisation of such agreements does not necessarily correspond with tangible enhancements in the material circumstances of employees. Rather, it implies that these accords may be utilised by employers as a mechanism to legitimise the implementation of their agendas, which might not align with the workers' interests or well-being.

The adverse impact of this trend is not uniformly distributed amongst the workforce; manual labourers bear the brunt more severely. This disproportionate effect on manual workers has the potential to sow division within the ranks of the working class. As agreements on working conditions are increasingly perceived as instruments that do not materially benefit employees but serve to entrench managerial prerogatives, the solidarity among workers could be threatened. This division could undermine collective bargaining power and weaken the overall position of workers in negotiating with employers. Such a schism may be exploited by those in positions of power to further their objectives, potentially exacerbating the challenges faced by those in manual and less secure occupations.

#### 5.4 Conclusion

In summary, the landscape of labour relations and union dynamics in France has undergone significant changes, particularly in the context of collective bargaining and union density. The decline in union density reflects a broader trend influenced by neoliberal flexibilisation policies. This decline has had profound implications for the power and capabilities of trade unions, limiting their ability to effectively advocate for workers' rights and negotiate favourable terms in collective bargaining agreements.

Historically, the focus of collective bargaining in France has shifted from a sector-level dominance to a more pronounced company-level emphasis. This shift, marked by the introduction of derogations from the Labour Code and the Auroux laws of the early 1980s, has led to a decentralisation in the negotiation process. The increasing number of company-level agreements, particularly since the 1980s, signifies a growing emphasis on firm-specific negotiations, driven by a need for flexibility and responsiveness to individual company needs.

However, this shift towards company-level bargaining has raised concerns regarding the balance of power in industrial relations. The increase in the number of company-level agreements does not necessarily align with the best interests of workers. Instead, there is a risk that these agreements may favour employers, potentially leading to inequitable outcomes in the labour market. This trend highlights the need for a nuanced evaluation of these negotiations and their broader implications for workers' rights and conditions.

In conclusion, the evolving nature of union dynamics and collective bargaining in France reflects a complex interplay between state policies, legal frameworks, and market forces. While the landscape has adapted to changing socio-economic conditions, it is crucial to critically examine the outcomes of these changes, especially in terms of their impact on workers' rights and the equitable distribution of power in labour relations.

## 6 How does the coupling of low union density and high collective bargaining manifest in the concrete as flexibilisation policies in the case of France Télécom/Orange?

The aim of this chapter is to answer the research questions at the concrete level, complementing the overarching narrative that was developed on a macro scale in the previous chapters. Through the integration of a case study, we venture beyond the temporal constraints of the macro-level story, unravelling data that extends further back in time. The chosen case study, Orange S.A., formerly France Télécom S.A (FT) , henceforth referred to as France Télécom/Orange, emerges as a pivotal lens through which to scrutinise the intricacies of a large exporting firm navigating the terrain of capital accumulation within the backdrop of the enduring neoliberal era.

France Télécom/Orange's stature as a longstanding entity provides a unique opportunity to trace its evolution over the course of the neoliberal epoch. This historical depth, coupled with its expansive size, positions it as a microcosm encapsulating the transformations within French neoliberalism at the organisational level. Additionally, the presence of all five representative trade unions within the firm enriches our exploration, offering a comprehensive view of the interplay between high collective bargaining and low union density.

The primary objective of this chapter is to assert that the coupling of high collective bargaining and low union density within the French context constitutes a flexibilisation policy. To substantiate this claim, we analyse the Orange case study based on company records, trade union perspectives, and insights gleaned from interviews conducted between January and October 2022.

The subsequent sections of this chapter follow a logical progression. We commence by delving into the background of Orange/France Télécom, situating this research within the existing literature to underscore the novel contribution of this case study. The methodology section elucidates the mixed-

method approach, a deliberate choice to triangulate evidence across macro-level data, interviews, quantitative data, and relevant documents.

The chapter then shifts to an examination of unions at Orange, with a particular focus on the CGT (Confédération Générale du Travail), unravelling the nuanced dynamics of union division and diminishing influence at the negotiation table. Collective bargaining at Orange emerges as a critical focal point, revealing an increase in negotiations juxtaposed with a power shift favouring management's unilateral decision-making authority. The chapter concludes with a thorough analysis of how workers' material conditions have evolved over the designated time period. Specific considerations include wage inequality, the impact of subcontracting, safety at work, and working time flexibility.

By peeling back the layers of Orange/France Télécom's journey, this chapter aims not only to enrich the understanding of flexibilisation policies but also to contribute a radical perspective to the broader discourse on labour relations within the framework of French neoliberalism.

## 6.1 Background

The evolution of labour relations at France Télécom between 1997 and 2017, showcases a significant transformation in the company's approach to management practices, social dialogue, and union involvement. This section will examine key elements of this evolution, and highlight some of the literature on FT.

### 6.1.1 The Privatisation of Orange/France Telecom

The autumn of 1974 witnessed the occurrence of the significant strike of PTT (Postes, télégraphes et téléphones) in France. This strike was primarily driven by the workers' apprehensions regarding the potential privatisation of PTT. The employees of PTT aimed to preserve their civil servant status, which

offered job security and other associated benefits. The strike vividly demonstrated the strong opposition of workers towards the privatisation of PTT and their determination to safeguard their existing employment conditions.

During Gérard Longuet's tenure as Prime Minister from 1986 to 1988, the idea of privatisation gradually gained momentum in response to the liberalisation of international and European markets (Mainguenaud, 2002, p. 73). The push for liberalisation came largely from Brussels, aiming to enhance the competitiveness of European telecommunications markets (Mainguenaud, 2002, p. 73). It is in 1988 that the DGT (direction générale des telecoms), which was a department in the French ministry responsible for Telecommunications becomes France Télécom.

In 1989, Paul Quilès served as the Minister of Industry, and under his leadership, the post and telecommunications sectors underwent significant changes. In 1990, a key reform resulted in the division of PTT into two separate public companies: La Poste and France Télécom. This reform aimed to promote competition and align with the European Union's agenda on expanding telecommunications services. As of January 1st, 1991, France Télécom transitioned into a public sector operator ('exploitant public') (Mainguenaud, 2002, p. 73).

While Gérard Longuet's attempt to pass a similar law had failed in previous years Paul Quilès eventually succeeded by adopting a different approach, which involved engaging in collective bargaining with the unions while maintaining control over the negotiations. Quilès assured existing civil servants that they could retain their status, while new employees would be hired under private law contracts. The CFDT (Confédération Générale du Travail) supported this approach, while the CGT refused to sign the agreement and even boycotted the initial 'negotiations'.

In 1991, several pivotal events unfolded, shaping the landscape of employee representation and collective bargaining at France Télécom. On March 26, 1991, the first elections of the employee representatives to the Administration Council took place. This body plays a crucial role in corporate governance and decision-making, particularly regarding matters that affect the workforce. The

Permanent Commission for Consultation and Negotiation was also created this year, which marks another development in the expansion of collective bargaining. Moreover, fundamental projects in terms of defining Human Resources management are initiated for example: The classification of functions.

November 4, 1991 saw the signing of the Collective Agreement for Contractual Agents. 'This Convention, beneficial for both the people concerned and for our Company, constitutes a very important element of the social aspect of the reform' ("France Télécom, Bilan Social 1991," 1992, p. 2).

The company used to have a monopoly in landline services until privatisation and liberalisation in 1996–1998 (Doellgast et al., 2021). As the sector becomes more liberalised, the European Council resolved in July 1993, under Gérard Longuet's second ministry (1993-1994), to open up voice telephony to competition from January 1, 1998 (Mainguenaud, 2002, p. 74). Other infrastructures (besides the France Télécom network) and cable TV networks also became deregulated on January 1, 1996. The company subsequently changed its status to a public limited company on January 1, 1997, along with the company going public. It went public in two stages, in October 1997 and 1998, with 25% of its capital each time. By 1999, half of the shareholders on the Paris stock exchange had France Télécom shares. The company's employees, who owned 75% of the shares, had 3.4% of the capital. The market was completely open to competition on January 1, 1998. In 2000, over 80 operators got licensed as telephone service operators or providers. The leading telecommunications operator in France, second in mobile and internet services in Europe, was still an administration a decade ago it had more than 71 million subscribers in 75 countries in 2001. This transition involved a staff of 89% civil servants. The company kept its public service duties while adapting to the market and technological changes. It pursued an international growth strategy and focused on customer satisfaction. It also revamped its human resources policy and professional relations system to align the management of its public and private employees (Mainguenaud, 2002, p. 74).

These new dynamics led to new human resources policies ( Mainguenaud, 2002, p. 77). As the company becomes more liberalised and headed towards privatisation, the civil servant status faced a lot of changes. Previously, the system relied on exams, job security, regular increase in pay and possibility to come back to your home base. This marked a deliberate effort to redefine the hierarchical structure and roles of civil servants within the organisation. This shifted towards contracts that rely on job performance of individuals and individualised salaries (Mainguenaud, 2002, p. 77). The system of individualised salary has contributed to dividing workers further. The company stopped hiring civil servants from 1997, even though it could use entry exams to do so until 2002 (Mainguenaud, 2002, p. 79). Civil servants who already worked there kept their status. Promotions, mutations and recruitment are now negotiated by managers and unions at the regional level (Mainguenaud, 2002, p. 79).

As France Télécom started to operate in a competitive market, the company needed to change the way in which conflict is handled as now strikes entails more risks of seeing customers buying their services elsewhere (Mainguenaud, 2002, p. 87). To avoid possible disputes, the company tried to strengthen the bargaining process (Mainguenaud, 2002, p. 87). For this purpose, a law was passed in 1990 that required negotiation on a wide range of topics: employment, training, organisation and working conditions (Mainguenaud, 2002, p. 87).

The complex system of workplace representation at FT involves central and unit-specific works councils, workforce and union delegates, and local health and safety councils (Doellgast et al., 2021). France Télécom, having initially been a public company, had distinct negotiation bodies compared to private enterprises. The gradual privatisation process retained some public entities, given the continued state ownership in the company. I have included in the Appendix: IRP (Institutions Représentatives du Personnel) France Télécom a list of the different IRPs at France Télécom for reference. Not all of them will be discussed but the sheer amount and complexity of the different



employee representative bodies is indicative of a system that creates confusion in terms of what needs to be negotiated with whom and at which level.

#### 6.1.2 Early flexibilisation policies and mental health crisis under telecoms restructuring

Before the reforms of the 1990s, social dialogue was centralised and informal, primarily relying on joint public law institutions like CAP and CTP. These entities played a pivotal role in guaranteeing the rights and obligations of both employees and the state-employer relationship (Mainguenaud, 2002, p. 87).

After the 1990s reforms, a significant shift occurred. Social dialogue became decentralised and individualised, grounded in Human Resource Management (GRH) principles that altered the management of employment contracts and service organisation (Mainguenaud, 2002, p. 88). During this transformation, CAP lost significance, and CTP evolved into a focal point for union protests against organisational and social changes (Mainguenaud, 2002, p. 88).

The reforms in 1990 and 1996 prompted France Télécom to establish a consultation-negotiation process (Mainguenaud, 2002, p. 90). The legislator advocated for the development of collective bargaining 'without conflict' (Mainguenaud, 2002, p. 91). This period emphasised the distinction between concertation, consultation, and collective bargaining. Concertation, unlike consultation and collective bargaining, relies on moral commitment rather than legal obligation (Mainguenaud, 2002, p. 91).

On July 8, 1993, France Télécom signed an agreement on the structures of consultation and negotiation with three trade union organisations (CFDT, CFTC, CFE-CGC), establishing three commissions: CPCN, CMCN, CLS (Mainguenaud, 2002, p. 91). Notably, only reformist unions signed the agreement, highlighting its limited benefits for most workers. Unions like CGT and SUD refused to sign, opposing the creation of an employee representative body that does not operate based on proven representativity (Mainguenaud, 2002, p. 93).

The 1990s witnessed numerous collective agreements negotiated at the company level, driven by a profit-seeking rationale (Mainguenaud, 2002, p. 93). To better meet customer needs, increasing the autonomy of unit directors necessitated decentralising social regulation mechanisms at the unit level. (Mainguenaud, 2002, p. 95) This decentralisation was supported by the CFDT and CFTC, leading to shifts in voter preferences towards SUD-PTT and a decline in election results for the former (Mainguenaud, 2002, p. 95). The expansion of collective bargaining resulted in about 20 agreements signed between 1990 and 2000 (Mainguenaud, 2002, p. 98). However, it also led to divisions among unions, with minority unions (CFDT, CFE-CGC, CFTC) becoming partners and majority unions (CGT, SUD) confined to an opposition role, contributing to the fragilisation of social dialogue (Mainguenaud, 2002, p. 98).

Following its 1997 initial public offering and state ownership until 2004, France Télécom faced financial turmoil with a debt of 70 billion Euros from acquisitions in the late 1990s (Doellgast, Bellego and Pannini, 2021, p.1133). Market decline due to liberalisation and the dot-com bubble burst in 2001 further compounded their challenges (Doellgast, Bellego and Pannini, 2021, p.1133). In 2006, CEO Didier Lombard introduced the 3-year Nouvelle Experience des Télécommunications (NEXt) plan, involving a workforce reduction of 22,000 and encouraging 14,000 job changes (Doellgast, Bellego and Pannini, 2021, p.1133). FT is considered both a representative and extreme case, depicting a dramatic shift from labour exclusion to social dialogue in a short time frame (Doellgast et al., 2021).

The restructuring initiative, particularly the human resources plan 'ACT, ('Accompagner ou Adapter les Compétences) faced criticism from unions, referred to as "Allez Casse Toi [Get lost]." (Doellgast, Bellego and Pannini, 2021, p.1133). Its implementation was criticised by unions for being coercive, with structures like "spaces for development" being perceived as mechanisms pressuring employees to either leave or alter their roles (Doellgast, Bellego and Pannini, 2021, p.1133). The 'Time to Move' policy mandated employees to change roles every three years, driven by the aim to create chaos and

movement within the organisation (Doellgast, Bellego and Pannini, 2021, p.1133). Managers were assigned objectives to move employees out, often leading to ethical concerns and, in some instances, compelling employees to relocate abruptly, retire, or resign (Doellgast, Bellego and Pannini, 2021, p.1133). Additionally, a trend towards increased centralisation of control emerged, impacting the autonomy of technicians within the organisation (Doellgast, Bellego and Pannini, 2021, p.1134). The restructuring aimed at constraining their independence by breaking up tasks, centralising scheduling, and substituting technology for skills (Doellgast, Bellego and Pannini, 2021, p.1134).

This period witnessed a distressing wave of suicides, with over 40 FT employees taking their lives between 2008 and 2010. The incidents, attributed to stress from stringent management practices, forced relocations, and downsizing, gained widespread media attention, prompting FT to acknowledge that 'social crisis' was unfolding (Doellgast, Bellego and Pannini, 2021, p.1134). Eventually, negative publicity and governmental pressure led to the resignation of the deputy CEO responsible for the restructuring (Doellgast, Bellego and Pannini, 2021, p.1134). While the existing literature does acknowledge the increase in centralised decision-making, it fails to draw the parallel with the decentralisation of bargaining. This highlights a critical gap in the literature, as it underscores the need to explore the interconnected dynamics between centralised decision-making and the concurrent decentralisation of bargaining processes during this transformative period at FT.

During the alarming increase in suicides at France Télécom from 2008 to 2010, unions played a crucial role in shaping public discourse about the causes of these tragic events (Doellgast, Bellego, and Pannini, 2021, p.1136). FT management attempted to portray the suicides as private matters unrelated to workplace concerns, but the unions countered this narrative effectively. The joint initiative, the Observatory of Stress, led by CFE-CGC and SUD-PTT, played a pivotal role in publicising findings that challenged the notion that the suicides solely fell within the private sphere (Doellgast, Bellego, and Pannini, 2021, p.1137). Unions strategically shifted the media's approach to reporting on the suicides from an emotional to a more rational and scientifically grounded perspective (Doellgast,

Bellego, and Pannini, 2021, p.1137). Scientists and members of the Observatory engaged in media discussions, presenting a nuanced understanding of the underlying causes. Mass demonstrations in cities and workplaces where suicides had occurred contributed to a shift in FT management's approach to social dialogue, prompting negotiations in various areas and illustrating the impact of collective employee action on management responsiveness (Doellgast, Bellego, and Pannini, 2021, p.1137). In response to union efforts, FT management commissioned its own survey to counter what they perceived as biased union-based research (Doellgast, Bellego, and Pannini, 2021, p.1137). The tripartite committee overseeing the survey included representatives from management, the consultancy firm Technologia, and the trade unions, including members from the Observatory. The survey conducted in 2009 revealed significant employee concerns, contributing to a loss of pride in belonging to FT and a general feeling of depression (Doellgast, Bellego, and Pannini, 2021, p.1137). These findings prompted government intervention, with the Minister of Labour advocating for action on worker stress and strengthened national regulation. Unions sought state intervention through the courts, with SUD, later joined by other FT unions, filing a formal complaint concerning FT's abusive practices. This legal action marked an innovative approach, emphasising employers' responsibility for the health of workers (Doellgast, Bellego, and Pannini, 2021, p.1138). The inquiry concluded in 2016, recommending that former FT executives face trial for destabilising employees and workplace harassment. The trial, held in the summer of 2019, resulted in guilty verdicts for the former CEO, Deputy CEO, and Head of HR, with fines and damages imposed on FT/Orange (Doellgast, Bellego, and Pannini, 2021, p.1138). These initiatives not only strengthened the unions' framing of the suicides as connected to management policies prioritizing shareholder interests but also kept public attention focused on the company and its employment practices (Doellgast, Bellego, and Pannini, 2021, p.1138).

### 6.1.3 Later flexibilisation policies at France Telecom and the rise of worker 'wellbeing'

During the period from 2007 to 2010, France Télécom confronted significant challenges as its unions navigated the complexities of management's restructuring policies and the heightened emphasis on shareholder value. These restructuring measures, characterised as 'financialisation policies,' marked a shift towards prioritising shareholder interests, resulting in a substantial rise in dividends at the expense of a decline in employees' share of earned revenue (Doellgast, Bellego and Pannini, 2021, p.1134). The transition from public to private labour law in 2004 further diminished the negotiating capacity of unions, as the French state relinquished its majority share ownership in FT.

Despite the initial weakened position of the unions, strategic initiatives undertaken from 2007 onwards showcased their adeptness at building internal communicative power. Two noteworthy initiatives played a pivotal role in this strategic response. Firstly, the Observatory of Stress and Forced Mobility, a collaboration between CFE-CGC and SUD-PTT, was established to scrutinise and publicise the impact of work restructuring on employee stress (Doellgast, Bellego and Pannini, 2021, p.1135). This initiative, through various studies and publications like 'Orange Stresse', effectively revealed alarming levels of stress among employees (Doellgast, Bellego and Pannini, 2021, p.1135). The dissemination of these findings through annual meetings created an external structure for employees and exerted pressure on management (Doellgast, Bellego and Pannini, 2021, p.1135).

Secondly, in 2007, SUD and CGT commissioned the development of a play by the theatre company NAJE, employing the 'theatre of the oppressed' approach (Doellgast, Bellego and Pannini, 2021, p.1135). This innovative strategy, indirectly financed by FT, involved the creative portrayal of exploitative situations, engaging employees in reshaping their course of action. The play was performed at works council meetings and distributed via DVDs, contributing significantly to mobilising the workforce around a critique of management practices (Doellgast, Bellego and Pannini, 2021, p.1135).

Despite differences in ideological positions and tactics among the unions, these initiatives converged in framing the psychosocial problems at FT in a similar manner. Both the Observatory and the theatrical initiative highlighted a failure to value worker well-being as part of the company's social responsibilities and underscored the neglect of workers' contributions to organisational performance. This dual framing, shared by reformist and radical unions alike, emphasised the detrimental impact of exclusively focusing on financial considerations and neglecting the workforce (Doellgast, Bellego, and Pannini, 2021, p.1135-1136).

Between 2009 and 2018, France Télécom (FT) underwent a transformative shift in its approach to labour relations and union involvement, driven by the aftermath of the social crisis and negative public perception (Doellgast, Bellego, and Pannini, 2021, p.1138). Seeking to regain public trust and improve their image, FT management engaged in negotiations with unions, resulting in the institutionalisation of unions' roles in decision-making within the company.

In September 2009, negotiations led to five social accords addressing the root causes of the social crisis, covering areas such as voluntary mobility, employee stress surveys every 23 years, and agreements on breaks, holidays, and work–life balance (Doellgast, Bellego, and Pannini, 2021, p.1138). Despite varying willingness among unions to sign specific agreements, a Monitoring Committee was attached to each, providing a platform for ongoing dialogue.

FT's management invested considerable resources and time in the negotiations, involving over 60 full-time staff on the management side (Doellgast, Bellego, and Pannini, 2021, p.1138). This departure from traditional practices in France included discussions on work organisation, typically considered the exclusive domain of employers, presenting challenges for both management and unions in navigating unfamiliar territory (Doellgast, Bellego, and Pannini, 2021, p.1138).

The unions' involvement in social dialogue, heightened by the public visibility of the social crisis, enabled them to wield communicative power effectively (Doellgast, Bellego, and Pannini, 2021, p.1139). Regular surveys and the requirement for psychosocial-impact analyses on management practices became tools for integrating unions into decision-making, especially in areas like restructuring, working time policy, and work organisation. Unions played a crucial role in redirecting and interpreting survey results, ensuring their expertise was acknowledged (Doellgast, Bellego, and Pannini, 2021, p.1139). The evolution of social dialogue at France Télécom (FT) is closely tied to union efforts to study and publicise the negative impacts of restructuring on workers. The ongoing media coverage of the 2019 trial of FT management, initiated by unions, underscores the enduring importance of the unions' strategy in communicating the social value of worker well-being. This continued centrality of the unions' narrative shapes legal disputes and broader media discourse on the trade-offs between short-term profits and worker well-being (Doellgast, Bellego, and Pannini, 2021, p.1140-1142).

Social dialogue at FT became a more significant platform for worker voice, with well-being gaining legitimacy as a key objective in management decision-making. Unions utilised tools such as regular surveys and joint monitoring initiatives to link management practices to concrete outcomes (Doellgast, Bellego, and Pannini, 2021, p.1143). Despite reflecting broader changes in French social dialogue institutions, FT's rapid and significant transformation distinguishes it from other cases (Doellgast, Bellego, and Pannini, 2021, p.1143). Workplace struggles at FT prompted state interventions and strengthening unions' institutional power (Doellgast, Bellego, and Pannini, 2021, p.1143). The 2019 court ruling, holding management and the company responsible for 'moral harassment,' establishes a legal precedent, facilitating unions' challenges to management practices based on their impact on worker health (Doellgast, Bellego, and Pannini, 2021, p.1143).

The paradoxical context of worker power and voice in France, characterized by strong institutionalised collective bargaining but hindered by low union membership, weak bargaining rights, and internal union divisions, sets the stage for examining the unilateral decisions made by companies like France Télécom (Doellgast et al., 2021). Despite the existence of collective bargaining structures, French companies, including FT, exhibits a culture of managerial unilateralism, opposing efforts to enhance social dialogue(Doellgast et al., 2021).

The evolution of social dialogue at France Télécom, rebranded as 'Orange' in 2013, marked by decentralisation, individualisation, and a shift towards Human Resource Management principles, underscores the intertwined dynamics of centralised decision-making and decentralised bargaining. Unions, despite facing challenges, showcased adaptability and strategic responses, contributing to the transformation of labour relations and the institutionalisation of unions' roles in decision-making within the company.

The case of France Télécom, now Orange, offers a distinctive perspective on the complexities of social dialogue, union involvement, and the interplay between management practices and worker well-being in the evolving landscape of a major French telecommunications company.

The literature on the suicide crisis at France Télécom offers a starting point, but further investigation into the specific management practices, decision-making frameworks, and the responses (or lack thereof) to concerns raised by unions and employees is necessary. This chapter will provide a more radical understanding of the mechanisms that allowed for unilateral decisions with severe consequences, offering a critical investigation into individualised efforts of improving worker 'wellbeing'.Based on the coming analysis, I argue that unilateral decisions at FT push capitalist exploitation, where the imperative to accumulate capital led to aggressive restructuring. The NExT plan, with its focus on job reductions and increased shareholder value, exemplifies the prioritisation of capital over human lives. Unilateral decisions at FT are symptomatic of a larger systemic issue within



capitalist structures, it is a concrete example of class struggle where the capitalist aims to increase capital accumulation through labour exploitation.

## 6.2 Methodology

In the quest for a deep comprehension of labour relations at France Télécom, this section reveals the methodological framework employed to scrutinise historical intricacies and contemporary dynamics. Our methodology intricately integrates archival data, social reports, and insightful interviews, with each element making a distinctive contribution to unravel the complex tapestry of labour relations within the company.

### 6.2.1 Archive Data

In the pursuit of comprehensively understanding the labour dynamics at France Télécom, my research led me to the Social History Institute (IHS), an affiliate of the CGT located in Montreuil, Paris. This visit specifically targeted the archives of the CGT FAPT (Fédération of Employees in the Postal and Telecommunications Sector), a key union in the France Télécom sector and an integral part of the CGT confederation. The IHS archives offer a unique lens through which to view the evolution of labour relations and corporate history in France.

During my research visit in 2022, I engaged with the extensive archival collections housed in Montreuil. These archives, under the careful guardianship of Benoit Delfolie, the institute's archivist, proved to be an invaluable resource. Benoit Delfolie's expertise significantly enhanced the research experience, facilitating access to pertinent materials and providing insightful interpretations that enriched the understanding of the collected data.

The IHS archives housed a wealth of quantitative data that was pivotal to my research, particularly in light of the limited number of interviews conducted. The social reports of France Télécom, mandatory annual documents informing trade unions about the company's social climate, were of particular

interest. These reports, dating back to the pre-2000 era, offered a quantifiable perspective on various aspects of employment within the company, including strike occurrences, union training initiatives, working hours, and general working conditions, among others.

Additionally, the qualitative data extracted from the internal communication documents at the IHS provided an in-depth understanding of the internal dynamics within France Télécom. These documents were instrumental in painting a detailed picture of the collective bargaining processes, especially during the critical period of the 1990s. This decade, characterised by intense negotiations and the significant transition due to the privatisation of France Télécom, was brought into sharper focus through these primary sources.

The archives at the IHS, particularly those of the CGT FAPT, have thus proven to be an indispensable resource for my study. The data gleaned from these archives have not only enriched the research with quantitative and qualitative insights but have also compensated for the limited number of primary interviews available for this study.

### 6.2.2 Data Collection

The primary objective of collecting archival data was to access the non-digitised 'Bilans Sociaux,' unavailable online. With the indispensable assistance of Benoit Delfolie, Benoit Delfolie's collaboration was instrumental, fostering enriching conversations that provided valuable context to the collected data.

Most prominently, the 'Bilans Sociaux' form the cornerstone of the collected data. Additionally, a diverse array of documents, including union communications, letters, and journals, were collected to offer nuanced insights and testimonies into the negotiations of the 1990s.

Acknowledging the absence of data for 2003 and the breaks in data presentation, the results are often broken into two parts: one covering data before the breaks and another after. This is because the year 2003, 2004, and 2005 were missing from the archival records. However, from the 'Bilan Social 2006', I

was able to retrieve quantitative data for 2004 and 2005. Furthermore, it is worth noting that the state relinquished its majority share in 2004, which is an important event in the company's history. Even though there may be missing values and changes in data measurement, it is still essential to consider the broader context and the changes the company was undergoing during that time.

Despite potential gaps and changes in data measurement, a comprehensive analysis can be conducted by recognising these factors and understanding the broader context of the company's evolution.

The process of digitising the "bilans sociaux" of France Télécom, spanning from 1979 to 2006, was a foundational step in my research methodology. The aim was to transform these physical records into a digital format, facilitating a more detailed and efficient analysis. However, the endeavour encountered significant challenges owing to the age and quality of the documents, which rendered Optical Character Recognition (OCR) technology largely ineffective. Consequently, a manual approach was necessitated, requiring a meticulous examination and transcription of data.

Given the goal of constructing time series data to analyse trends over time, the structure of the "bilans sociaux" presented an additional layer of complexity. Each annual report contained data tables for a maximum of three years, necessitating a year-by-year analysis across all reports to compile a comprehensive dataset. This painstaking process involved extracting relevant information from each "bilan social" and systematically categorising it.

To manage and categorise this extensive dataset effectively, I utilized NVivo, a qualitative data analysis software. NVivo's capabilities allowed for the creation of distinct categories for each dataset, facilitating the organization and retrieval of data for each variable as required. The software's robust framework was particularly useful in tracking the evolution of data over time, an essential feature given the longitudinal nature of the study.

The final stage of data processing involved manually inputting the extracted information into Excel. This step was critical for creating a structured, accessible dataset suitable for detailed analysis.

Through this labour-intensive process, I was able to construct a comprehensive and organized time series dataset, providing a foundation for analysing the social and labour dynamics within France Télécom over the span of nearly three decades.

By accounting for these factors and acknowledging the limitations of the data, this chapter conducts a meaningful analysis and aims to gain insights into the company's evolution over time.

### 6.2.3 Social Reports: What are they?

Social reports, sourced from the CGT's archives, serve to inform unions about the social situation within the company. Initiated at the national level in the late 1970s, these reports aim to fulfil three objectives: inform, plan, and promote dialogue among social partners. The first social report for France Télécom was established at the national level for the years 1977, 1978 and 1979. The indicators included in the reports are, to the extent possible, those established by law ("Bilan Social, exercice 1979," 1980).

However, an observation reveals challenges in fulfilling these objectives. Changes in units of measurement, absence of methodological explanations, and variations in data presentation pose difficulties in establishing long-term trends. Despite these shortcomings, the reports are seen as a catalyst for decentralisation and the expansion of collective bargaining, as evident in the implementation of the Auroux Laws two years later.

Quoting from 'Bilan Social 2001,' the success of these actions is attributed to increased decentralisation, involving managers, HR managers, and employees in shaping a more enriching career path.

Despite relying on company-collected 'Bilans Sociaux,' which lacks worker inputs, this study supplements its analysis with interviews and other documents to provide a more comprehensive

understanding. The limitations in data options before 1982 emphasise the necessity of employing diverse sources to explore transformations pre- and post-Auroux Laws.

#### 6.2.4 Interviews

The semi-structured interview methodology is employed in this research to explore the dynamics of labour market flexibilisation and collective bargaining structures at FT. This approach provides a balance between open-ended, exploratory questions and predetermined inquiries, allowing for depth and flexibility in responses. The aim is to gain comprehensive insights into the experiences and perspectives of individuals who have witnessed and participated in the evolution of collective bargaining within the context of changing labour market policies.

##### 6.2.4.1 Interview Design

Interviews were designed with the overall aim of understanding the interaction between labour market flexibilisation policies, collective bargaining and workers material conditions. This involved a series of questions categorised into themes, ensuring a systematic exploration of the interviewees' experiences and insights. While specific questions are outlined, there is room for the interviewees to elaborate on their responses, providing in-depth insights and leaving room for follow up questions. Questions are carefully crafted to capture the historical evolution of collective bargaining, the role of unions, and the implications of flexibilisation policies on workers. They also allow interviewees to share personal experiences, observations, and opinions. The appendix contains the interview guide used for conducting the semi-structured interviews. It is important to note that not all the questions in the guide were necessarily asked, and some additional questions not listed in the guide were also posed during the interviews.

#### 6.2.4.2 *Data Collection*

Participants were selected based on their extensive experience and involvement in the labour market, particularly within the context of France Télécom. Diverse perspectives are sought, including individuals who have held different roles in the negotiation process, union representatives, and those who have witnessed changes over several decades.

I have reached out to many different trade unions, both using a generic email address (for example contacting a local union branch) and targeting specific individuals. I have reached out to all five trade union confederations – and have approached them using different approaches. Different communication strategies were employed, ranging from comprehensive explanations of the research to a more guarded approach when dealing with potentially less sympathetic, reformist trade unions.

Despite employing a range of strategies, I encountered a notable pattern in responses. The primary engagement emerged from members or sympathisers of the CGT, who not only responded but demonstrated a considerable interest in the research, offering valuable insights and dedicating substantial time to contribute. The cooperation from CGT members has proven invaluable in enriching the depth and quality of this research.

The lack of responses from other trade unions, particularly in the context of Orange, prompts reflective considerations. The company's substantial size and relative under-researched status intensify the intrigue surrounding the reluctance of these trade unions to engage with this research. This raises questions about the potential reasons behind their hesitancy and the implications it may have for this research.

The reluctance of certain trade unions to collaborate in the research must be acknowledged. The underpinning motivation behind this unresponsiveness remains a point of inquiry, especially given the under-researched nature of Orange. The lack of cooperation from these unions, considering the size and significance of Orange, adds a layer of complexity to the investigation into labour market flexibilisation.

The lack of cooperation from the CFDT, FO, CFE CGC and CGCT may have implications for the broader understanding of labour relations, potentially influencing the depth and scope of the research findings. This analysis would have benefited from the input of employee representatives for all union organisations and is therefore limited to the input of one. Further investigation into the reasons behind this reluctance could shed light on the dynamics of cooperation and information sharing within the trade union landscape.

#### *6.2.4.3 Interviewees Profiles*

In 2022, as part of my endeavour to gain an in-depth perspective on labour relations at France Télécom, I conducted three semi-structured interviews. Each of these interviews lasted approximately one hour and was conducted via an online video call platform. This method not only ensured convenience and accessibility for both parties but also adapted to the increasingly digital nature of contemporary research. Significantly, I was able to record these conversations, which allowed for an accurate and thorough capture of the interviewees' insights and perspectives. Alongside the recordings, I also took detailed notes, which aided in the accurate transcription of the dialogues and ensured that key points and nuances were not overlooked in the subsequent analysis.

Here is a brief description of the three interviewees:

##### **1. Jean-Michel Gaveau (JM):**

Jean-Michel Gaveau's career and union engagement at France Télécom span several decades and various roles, reflecting a deep commitment to both his professional and union activities. Beginning his journey in 1977, JM initially held positions such as First-class technical agent, Line operation agent, Construction supervisor, and Project manager, before advancing to a 2nd level "cadre" position. His union involvement commenced as a part-time secretary of the local CGT union section, eventually evolving into a full-time role. JM union responsibilities expanded over the years, including membership

in the National Commission for Technical Trades (“Commission nationale des métiers techniques”) and a tenure as the CGT departmental secretary for Post and Telecommunications in the Eure Department. His commitment to union activities culminated in his role as an “Administrateur Salarié,” or Employee Representative, for CGT within France Télécom. In this capacity, he extended his influence to the Confederation level, continuing his engagement until 2017.

## **2. Eric Volat (EV):**

Eric Volat's tenure at France Télécom, beginning in 1988, reflects a diverse career path alongside significant union involvement. His early roles at the company included a Site Supervisor position in Paris, where he managed disruptions, and later, in 1992, he transitioned to a telecom designer role in Evreux. Notably, EV played a crucial role in national-level negotiations concerning public service issues, representing his union in discussions about privatisation in 1989 and engaging with the Direction Générale.

In parallel with his professional career, EV was actively involved in the CGT union. His union activities were centred in the local union of Evreux, where he assumed various responsibilities. His contributions extended to managing social aspects in collaboration with the union, including overseeing activities such as holiday camps, up until the establishment of the CE (Works Council). Furthermore, EV held multiple roles within the departmental union section in Eure, encompassing positions such as DP (Délégué du Personnel, or Staff Representative), union representative, and various posts within the CE (Comité d'Entreprise, or Works Council) and CCE (Comité Central d'Entreprise, or Central Works Council).

## **3. Ralph Blindauer(RB):**

Ralph Blindauer's professional background and union affiliations provide a unique perspective on the subcontracting dynamics at France Télécom. His selection as an interviewee is particularly pertinent



due to his occupation as a lawyer, where he represented the Scopelec and Setelen CSEs (Comités Sociaux et Économiques) in their legal proceedings against Orange. His specialisation in labour law offers an in-depth understanding of the legal and contractual complexities within the telecommunications sector, particularly regarding subcontractor relationships.

Blindauer's trade union affiliations further enrich his contributions to the research. While he primarily aligns with the CGT (Confédération Générale du Travail), his collaborations extend to other unions such as SUD (Solidaires Unitaires Démocratiques) and FO (Force Ouvrière), demonstrating a broad engagement across the trade union spectrum.

These interviewees, with their rich experiences and diverse roles within France Télécom, offer invaluable insights into the evolving landscape of labour relations, negotiation processes, and the broader socio-economic dynamics within the company. The combination of their perspectives contributes to a more comprehensive understanding of the flexibilisation of the labour market.

#### *6.2.4.4 Data Triangulation*

The use of multiple sources enhance the reliability and validity of findings. In the context of this study on labour relations at France Télécom, data triangulation is employed to cross-verify information from various perspectives, ensuring a more comprehensive and nuanced understanding. This is especially important given the small number of interviews due to a low and non-response by other trade unions. By corroborating information from multiple sources, this research aims to establish the credibility and accuracy of findings. Utilising diverse sources helps counter potential biases inherent in individual data sets or methods. The convergence of archival data, social reports, and interviews strengthens the analytical depth and reliability of the study.

### 6.3 Results

In this section, we present the findings of our analysis, beginning with an examination of the workforce composition from 1977 to 2002. Maintaining awareness of the changes in workforce composition is imperative for the analysis of labour market flexibilisation policies. The shifts in job categories observed during this period at France Télécom, reported in this subsection, serve as a critical backdrop against which various aspects of the company's dynamics, such as labour relations, negotiations, and responses to market trends, can be comprehensively understood. The evolving nature of roles, from the decline in certain categories to the rise of others, forms a contextual foundation that enriches the depth and nuance of the forthcoming analyses.

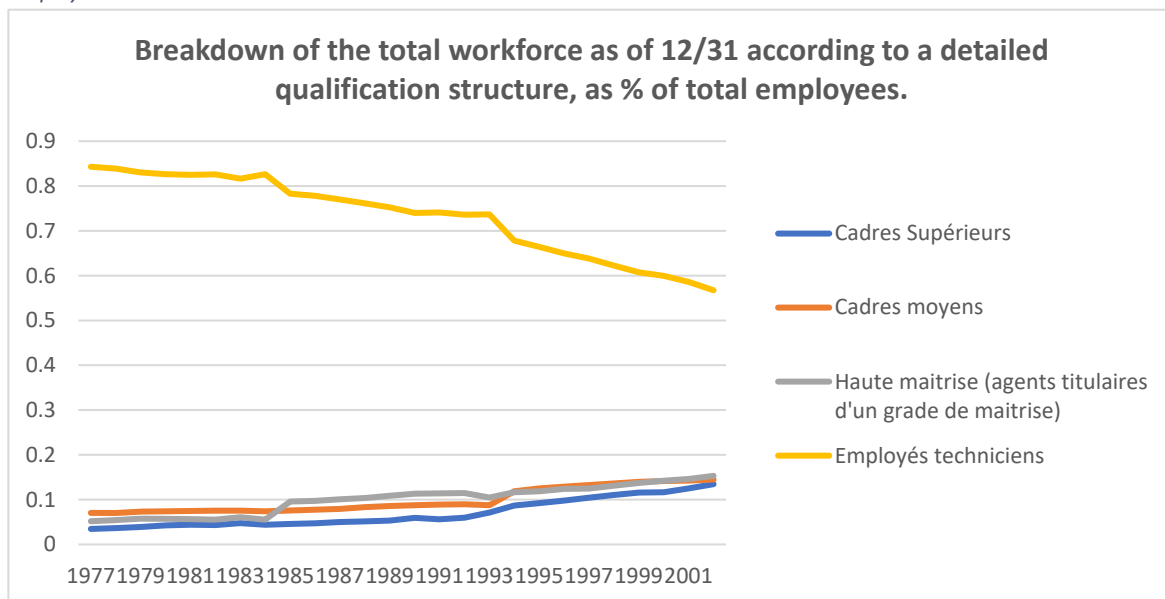
During the period of interest, employees were classified into distinct categories, each carrying specific roles and responsibilities: *cadre supérieur*, *cadre moyen*, *agent de maîtrise*, and *employé technicien*. The term '*cadre supérieur*' refers to an individual with authority over company workers, actively contributing to policy development and possessing decision-making power. In contrast, '*cadres*' lack the same decision-making authority or policy-making role. Legally, the term '*cadre*' lacks a specific definition within French law. The International Labour Organisation characterises a '*cadre*' as an individual with higher education or equivalent experience in a scientific, technical, or managerial field, primarily engaged in intellectual work requiring judgment, initiative, and significant responsibility. This definition also encompasses those meeting the criteria above, delegated by the employer to plan, direct, control, and coordinate activities within the company, with corresponding managerial powers, excluding top executives with broad employer delegation (Hardy, 2021). The classification of '*cadre moyen*' denotes an intermediate position between the senior executive ('*cadre supérieur*') and the '*agent de maîtrise*' (supervisor). '*Cadres moyens*' have some managerial responsibilities, such as leading a team, coordinating projects, or implementing strategies, but their level of autonomy and influence is not on par with '*cadres supérieurs*.' This group typically holds higher education degrees or

equivalent experience. The 'agent de maîtrise' is a production staff member overseeing workers at various levels of production. Responsible for supervising production operations under management's direction, they possess specific expertise and more independence than regular employees. The position of 'agent de maîtrise' falls between the standard employee and the 'cadre' within the hierarchical scale or professional classification defined by collective agreements. Finally, the 'Employés technicien' (technicians) refers a person who performs technical task.

The next pages present analysis of the changing workforce distribution based on the 'Bilans Sociaux'

### 6.3.1 Change in the distribution of the total workforce from 1975 to 2002

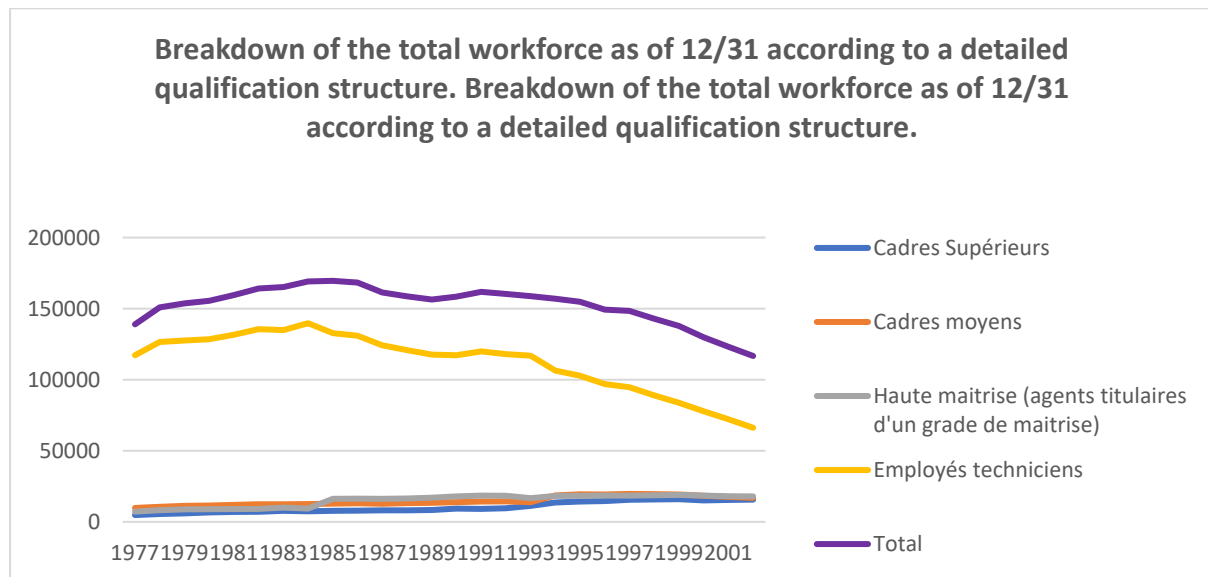
Figure 6.1: Breakdown of the total workforce as of 12/31 according to a detailed qualification structure, as % of total employees.



Source: Bilans Sociaux, Author's calculations

Figure 6.1 above shows the change in distribution of the total workforce, in percentage terms. A discernible trend emerges. The proportion of technicians in relation to total employees has been on a decline, while 'cadres supérieurs,' 'cadres moyens,' and 'agents de maîtrise' show an upward trajectory. This indicates an overall shift away from lower-skilled towards higher-skilled employment at France Telecom during the period of interest.

Figure 6.2: Breakdown of the total workforce as of 12/31 according to a detailed qualification structure. Breakdown of the total workforce as of 12/31 according to a detailed qualification structure.



Source: Bilans Sociaux

Examining the composition of skill levels in total number of employees, reported in Figure 6.2 we see that the decline in technicians was accompanied with an overall decrease in France Telecom’s workforce. This reduction appears linked, at least in part, to subcontracting and the phasing out of technical positions. Simultaneously, other job categories experience an increase, indicating a shift in the overall workforce structure.

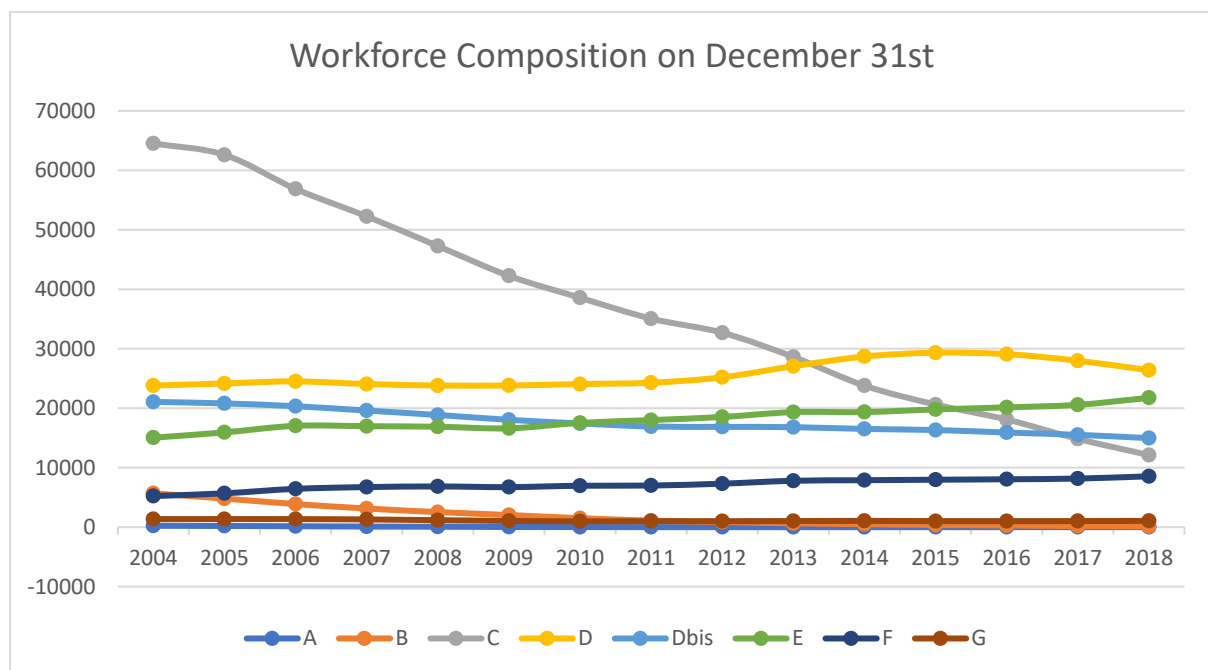
Turning our attention to the later time period of 2004 to 2018, we observe that the same trend continues. However, at this time due to the restructuring there was a significant change in how job categories were classified at France Télécom. The new classifications are highlighted in the diagram below, with a more detailed explanation provided in the appendix. In essence, categories A through G span tasks from simpler, shorter-term, more practical roles with lower levels of education to more complex responsibilities requiring higher levels of education. For instance, a category A worker might be a cleaner, while a category G worker could hold the position of a programme director.

6.3 Classifications of the Orange workers according to the Telecommunications Collective Convention



From simpler, shorter-term, more practical side from grade A towards lower levels of education, more complex tasks and responsibilities towards grade G.

Figure 6.4 Workforce Composition on December 31st

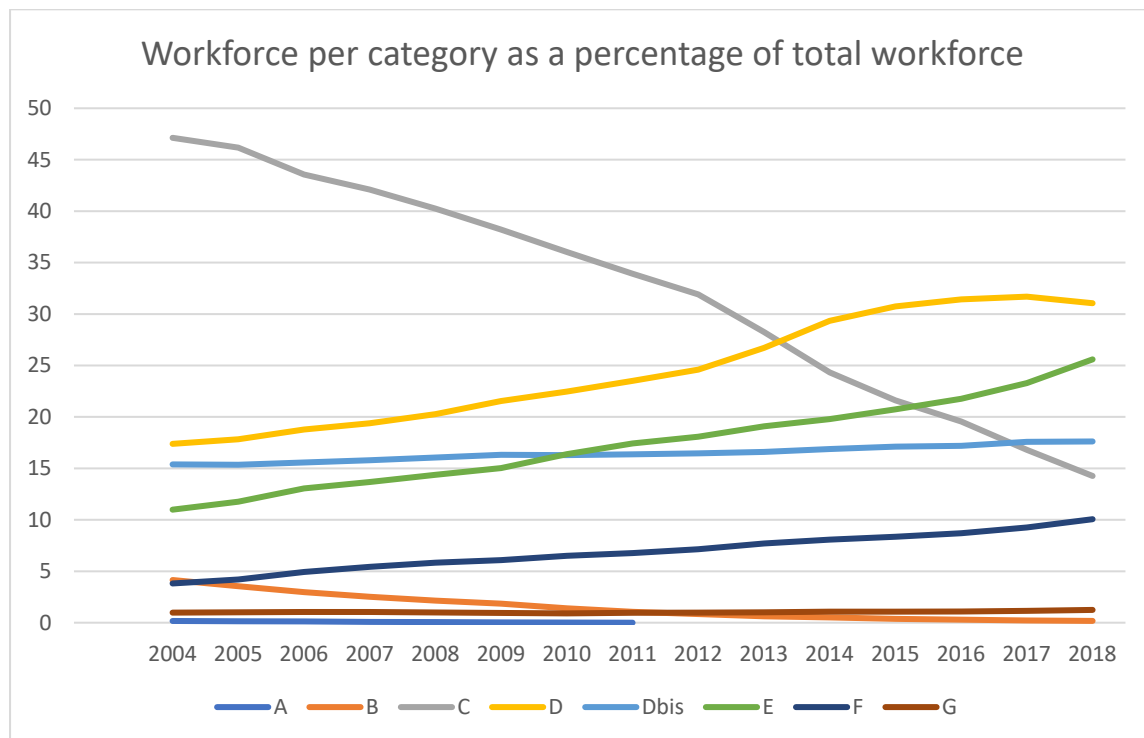


Source: Bilans Sociaux, Author's calculations

Figure 6.4 above analyses the composition of employment based on the new categories (A-G) from 2004 to 2018, expressed in number of employees. We note a sharp decrease in category C job and a slight increase in category D, which has become the most represented category of workers at FT. Category G, A and B have the lowest proportion of employees at the firm. Notably, category A jobs

drop to zero after 2011 due to the externalisation of low-skill employment such as cleaning work. We also note an increase in the proportion of category E jobs and a slight increase in category Dbis jobs. We note an increase in category F jobs, and a decrease in category B jobs.

Figure 6.5: Workforce per category as a percentage of total workforce



Source: Bilans Sociaux, Author's calculations

Figure 6.5 shows the same data, expressed in percentage terms. Firstly, the significant decrease in category C jobs indicates a notable shift in the nature of roles within the company. This decline may suggest a restructuring or reorganisation, possibly driven by changes in technology, automation, or strategic business decisions. On the contrary, the slight increase in category D jobs highlights a growing prominence of roles falling within this classification, making it the most represented category of workers at FT during the specified period. This shows that during the later phases of restructuring, there was an increase in jobs that require indirectly productive labour, such as call handlers.

The observed distribution across categories G, A, and B, with the lowest proportion of employees, suggests a shift towards roles that require higher levels of education, more complex responsibilities,

and potentially longer-term commitments. This aligns with broader trends in many industries, where there is a growing demand for skilled professionals in managerial or specialised roles.

The increase in the proportion of category E jobs and a slight increase in category D positions indicate a diversification in roles that involve more intellectual work, judgment, and initiative. This diversification could be a response to the evolving demands of the telecommunications industry, with an increasing emphasis on knowledge-intensive tasks.

Conversely, the increase in category F jobs and the decrease in category B roles may reflect changes in the strategic priorities of the company. Category F jobs, such as key account engineers, often involve specialised skills and a higher level of responsibility, aligning with the trend of prioritising roles that contribute to the company's strategic objectives.

The drop of category A jobs to zero is particularly noteworthy, indicating a clear externalisation of these roles. This aligns with broader industry trends where certain low-skill, manual tasks are outsourced or automated. However, it is crucial to recognise that externalisation is not the sole factor contributing to this reduction. Other factors, including technological advancements and a reduced need for manual labor due to the established network infrastructure, have also played a role in reshaping the job landscape.

### 6.3.2 Unions

Let us now move to the dynamics of labour relations, union activities, and the evolving landscape of the telecommunications industry, specifically focusing on France Télécom's transformation into Orange during this time. The examination spans various aspects, including union influence, strikes, collective bargaining, and intra-class relations among different unions.

### 6.3.2.1 *Shifting Power Dynamics at France Télécom*

We know that union density has decreased in France, although we do not have specific data for Orange, the interviews confirmed this trend:

*"The unionisation rate has significantly decreased – technical jobs have disappeared, so the most unionised ones have decreased." - EV*

The provided statement by EV suggests a noteworthy decline in union density in France, particularly emphasising the impact of disappearing technical jobs on the decreased representation of unions. The phrase *"les emplois techniques ont disparu donc les plus syndiqué ont baissés"* suggests a causal link between the decline in technical jobs and the decrease in union membership. This causal relationship implies that technical positions tend to have higher union membership, so as they vanish, unionisation rate diminishes as well.

This statement by EV highlights a significant shift in the dynamics of union presence and negotiation practices within the company over time:

*"Before, the unions were very present among the employees - negotiations were led by union actions. Now, we are almost no longer on the field; everything is done in company meetings. We can no longer be alongside the employees, we're always in meetings." - EV*

The diminishing presence of employee representatives in the workplace translates to a reduced awareness of ongoing developments. This lack of insight hampers their ability to effectively negotiate on behalf of workers.



### 6.3.2.1.1 Strikes and Conflictuality

The graph below shows strikes (measured in numbers of days lost due to strikes) at France Télécom in the 1980s and 1990s at local and national level. We observe a total decrease in number of days lost due to strikes over this time period.

From the 2<sup>nd</sup> of August 1987, the rule of the indivisible thirtieth was re-established. As a result, the number of one day strikes has highly increased over the second quarter of 1987. The indivisible thirtieth rule is a rule that applies to French civil servants in the event of a work stoppage occurring during any fraction of the day. According to this rule, its application leads to a deduction of one thirtieth from the remuneration of agents working in state administrations and in state administrative public establishments. In essence, this means that even a strike lasting just one hour results in a one-day pay deduction.

Figure 6.6: Strike days

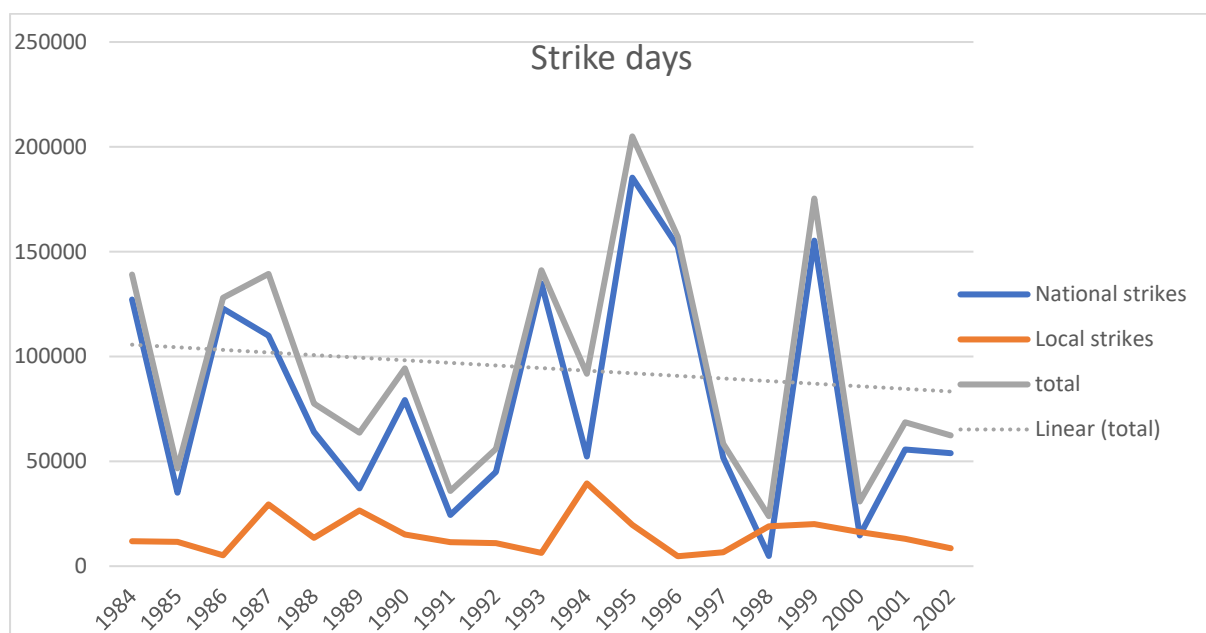


Figure 6.6 illustrates a prominent pattern where strikes are primarily associated with national strike movements, while local-level strikes are notably less numerous. There is also a discernible decline in the overall number of strikes over time.

Analysing the graph, it becomes evident that the majority of strikes align with broader national movements, underscoring a collective response to issues of nationwide significance rather than isolated local concerns. This trend suggests a concerted effort to address overarching societal issues through organised labour actions.

Distinct peaks are observed in 1987 and 1994. The 1987 strikes are reflective of a national response to the privatisation wave and various challenges to the public sector, particularly highlighted by rail strikes. These pivotal moments underscore the interconnectedness of industrial actions with broader sociopolitical shifts.

The diminishing trend in the total number of strikes over time mirror the societal shift towards an increasingly liberal economy and a labour market characterised by greater flexibility. This observation holds true not only for France Télécom but also aligns with macro-level trends, reflecting a broader transformation in the nature of labour relations over the neoliberal era.

The narrative is enriched by the perspectives of key actors involved. JM's insights shed light on the strategic considerations behind the decision to strike, highlighting the perceived ineffectiveness of preventive strikes and the workforce's inclination to strike in response to tangible changes in working conditions.

*“Preventive strikes didn't work; very few listened, and no one wanted to strike.*

*People only wanted to strike when they realised their new working conditions.”*

*JM*

Furthermore, JM's recounting of the significant 1987 strike, triggered by the minister's privatisation ambitions, emphasises the attempts at consultation and the ensuing social unrest. The personnel's awareness of the impending shift in management practices further illuminates the multifaceted motivations behind labour actions.

*“In 1987, the minister wanted to privatise France Télécom, and 75% of the personnel went on strike. It was the biggest historical strike. They wanted to try something different, so they attempted consultation. They appointed someone to explain the reform. The CGT proposed interactive debates, but the government was close to the reformist unions and signed an agreement with them. They were going to change the company's status – a change in status, separating the Post Office and France Télécom. There was social unrest, as people wanted to remain civil servants. The personnel were well aware that they would be managed as if they were in the private sector.” JM*

The struggles in 1994 and 1996, as articulated by JM, draw attention to the workforce's fear of job loss, providing a human dimension to the economic considerations that drive industrial actions.

*“Struggles in 1994 and 1996 were crucial because employees feared losing their jobs.” JM*

These elements provide evidence that workers strike once their material conditions have changed or are about to change. This can be either perceived or real.

Also, we notice a strong reaction at national rather than local level- therefore, negotiating things at a local level is actually an effective capitalist strategy to implement flexibility at the firm. We have empirical evidence that workers tend to strike more for national rather than local issues. Decentralising collective bargaining therefore and be seen as an effective strategy to reduce strikes. Indeed, if a policy is implemented at national level – such as privatisation and the subsequent fear of job loss – then the movement get big and gains a lot of momentum and attention. When decisions affect local units – no one cares and no one strikes. This is such an effective way that power has been redistributed from labour to capital.

One notable observation is the pronounced tendency for strikes to manifest more vigorously at the national level rather than at the local level. This inclination prompts a critical insight: negotiating workplace conditions at a local level can be construed as a capitalist strategy to implement flexibility at the firm. The empirical evidence distinctly illustrates that workers are more inclined to engage in strikes in response to national issues rather than localised concerns. The strategic decentralisation of collective bargaining, therefore, emerges as an effective mechanism for curbing the frequency of strikes.

This entails that decentralisation, particularly when decisions are implemented at the local level, have the potential to diminish the likelihood of significant labour actions. This scenario underscores a stark contrast: impactful national policies, such as privatisation and the consequential fear of job loss, tend to galvanise large-scale movements with substantial momentum and attention.

This phenomenon exemplifies an effective redistribution of power from labour to capital. By strategically framing policies and decisions at the national level, where they are more likely to elicit a robust labour response, the dynamics of power within the labour-capital relationship are skilfully manipulated.

The quote by EV introduces an element of management response during strikes, emphasising the temporary nature of strikes and the management's recourse to outsourcing during such periods. This brings an explanation not only to why strikes are decreasing at Orange, but also nationally -simply they are less effective as workers lose some of their structural power as they simply do not have the same capacity to disrupt the production anymore as the employer can simply use more outsourced workers.

*"Whether we(the union) agree or disagree, the project will still be carried out.*

*During strikes, they (management) resort to outsourcing." - EV*

Structural power decreasing as unions have less capacity to disrupt externalised production processes encapsulates the evolving dynamics of union influence in an era characterised by externalised production. This is highlighted by JM's statement:

*"Orange is now a merchant, no longer really a tech company." -JM*

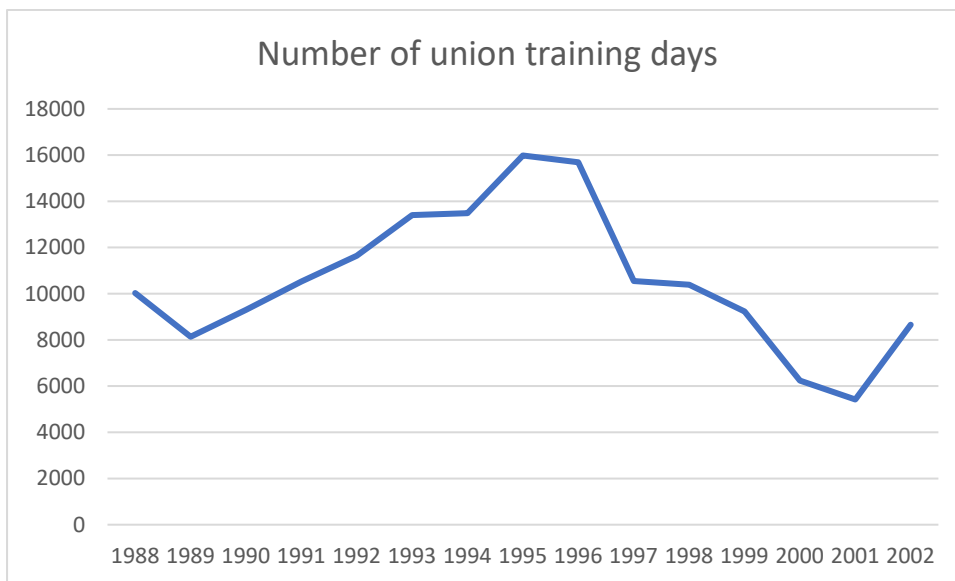
Indeed, this highlights a shift in the identity and production process of Orange, and also its approach to labour relations. This quote suggests that orange has become a mere trader, and increasingly focuses its productive capacity from indirectly productive labour rather than productive labour. This is also highlighted by the changes in the company structure, as we have seen see above. Again, this suggests that workers have lower structural power as they are less able to disrupt the production process.

We do also observe this through the increase of category D workers on the Figure 6.4 as these tend to fill commercial roles and indirectly productive roles

In conclusion, this comprehensive analysis intertwines quantitative data with qualitative insights, providing a nuanced understanding of the complex interplay between strikes, labour dynamics, and broader sociopolitical shifts within France Télécom during the pivotal decades of the 1980s and 1990s.

### 6.3.2.1.2 Union training

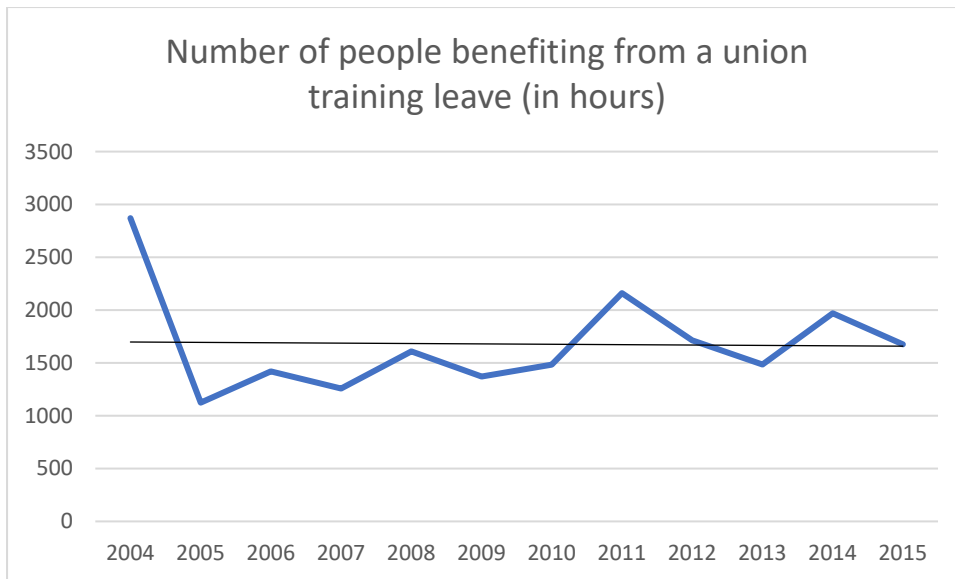
Figure 6.7: Number of union training days



Source: Bilans Sociaux

The surge in collective bargaining activities juxtaposed with the consistent or declining number of days allocated for union training sheds light on a paradox within the dynamics of worker representation. This phenomenon suggests that, despite an uptick in negotiation efforts, there has not been a corresponding enhancement in the capacity of workers to negotiate effectively. The notable peaks in union training days often coincide with shifts in labour laws. Rather than signifying a surge in the demand for training among a broader base of workers, these peaks likely indicate a necessity for re-training among existing union members. It implies that the primary impetus behind the increased demand for training is the need to comprehend and navigate the intricacies of new labour legislation. Consequently, the data suggests a focus on upskilling and adapting existing union members to the evolving legal landscape, rather than a significant influx of new participants seeking training.

Figure 6.8: Number of people benefiting from a union training leave (in hours)



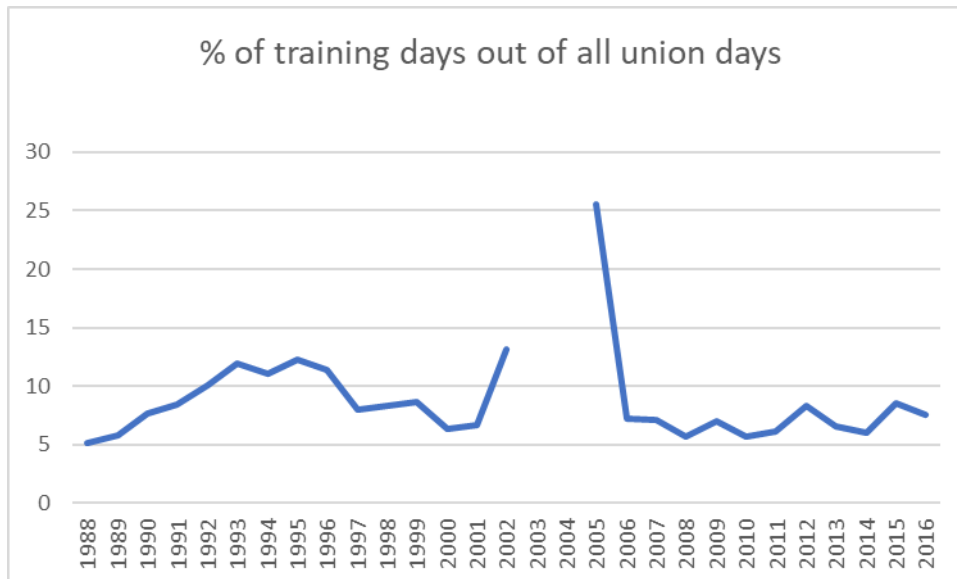
Source: Bilans Sociaux

The absence of data on union training days from 2004 onwards has been compensated by information on the number of individuals benefiting from union leave, encompassing union training. It is essential to note that the peaks observed in both Figure 6.7 and Figure 6.8 align with shifts in the functioning of union representations, signifying an increase in these activities. For instance, the elevated figure for 2012 can be attributed to the renewal of the CE-DP (enterprise committee and employee delegate) bodies towards the end of 2011. This implies that the increase in collective bargaining capabilities is not necessarily mirrored by a simultaneous improvement in the proficiency of individuals engaging in these negotiations. Despite the apparent rise in collective bargaining, the data indicates a stagnation or slight decline in the number of individuals adept at bargaining skilfully.

This observation raises a critical point: the surge in collective bargaining may not necessarily equate to an augmentation in workers' bargaining power. If the increase in collective bargaining were indicative of a genuine enhancement in workers' power, one would expect a corresponding rise in union training. However, the graph illustrates that the number of people benefiting from union training leave has, at best, remained relatively constant and has even experienced a slight decrease.

This incongruity underscores the need for a nuanced understanding of the dynamics between collective bargaining activities and the actual proficiency of individuals engaged in these negotiations.

Figure 6.9: % of training days out of all union days



Source: Bilans Sociaux, Author's calculations

The presented graph offers compelling evidence that there has not been a notable rise in training days relative to all union activities. In addition, we note that training days are quite low (predominantly oscillating between 5% and 10%). This observation lends additional support to the notion that the upsurge in collective bargaining activities did not correspondingly translate into an augmentation of union training.

These findings contribute to the growing understanding that the proliferation of collective bargaining may have bolstered the capacity of employers to enact decisions unilaterally. In essence, while there is an increase in the number of individuals capable of engaging in collective bargaining, there is not a concurrent enhancement in the actual proficiency of workers to negotiate effectively.

This discrepancy underscores a crucial aspect of the evolving dynamics within the labour landscape—namely, that the numerical expansion of those engaging in collective bargaining doesn't necessarily



equate to a commensurate improvement in the bargaining power or skillset of the workforce. The data suggests that, despite a surge in the sheer number of individuals participating in collective bargaining activities, there hasn't been a parallel strengthening of the bargaining capabilities of workers.

The decline in workers' power and capabilities at France Télécom is a multifaceted phenomenon intertwined with various shifts in the socio-economic landscape. The decrease in union density, exacerbated by the disappearance of technical jobs, underscores a changing dynamic where traditionally unionised roles diminish, eroding the collective strength of the workforce. Strategic responses from management during strikes, such as the application of rules like the "indivisible thirtieth" and resorting to outsourcing, reflect an evolving power dynamic where traditional labour actions become less impactful. The company's transformation from a tech-focused entity to a trader, coupled with an emphasis on commercial and indirectly productive roles, not only alters the nature of work but also weakens workers' ability to disrupt the production process effectively. The observed trend of strikes gaining more momentum at the national level rather than in response to local issues implies a strategic decentralisation of collective bargaining, potentially curbing the frequency and effectiveness of labour actions. Paradoxically, as collective bargaining activities increase, the inconsistent investment in union training suggests a potential gap between numerical engagement in bargaining and the actual proficiency of workers, further contributing to the overall decline in their power and negotiation capabilities.

### 6.3.2.2 *Transforming Union Dynamics at France Télécom: Electoral Shifts and Inter-Union Relations*

#### 6.3.2.2.1 Relations between unions

The dynamics between different unions play a pivotal role in understanding the transformation of the workforce and its impact on labour relations. The outcomes of union elections serve as a valuable lens through which the evolving composition of workers can be analysed. Traditionally, unions such as CGT and FO have found support among manual workers, while the likes of CFDT, CFE-CGC, and CFTC align themselves with managers and 'cadres.' The changing landscape within the company, marked by increased subcontracting and a decline in employee numbers, has influenced voting patterns, with FO and CGT gaining more support from the declining workforce.

This shift in support carries implications for the negotiation landscape. 'Bilans sociaux' reports reveal a pattern where CFDT, CFE-CGC, and CFTC consistently sign collective agreements, while FO and CGT, often representing the interests of workers, tend to refuse, triggering more conflicts and opposition during negotiations. Consequently, an increase in votes for CFDT, CFE-CGC, and CFTC is perceived as beneficial for the company, aligning with a more cooperative and agreement-prone approach. Conversely, a rise in the vote for CGT and FO is seen as advantageous for workers, indicating a stronger stance in negotiations to protect employee interests.

The historical context of union dynamics adds complexity to this narrative. The CFDT, once leaning towards reformist unionism, underwent internal struggles in the 1980s and 1990s, leading to the creation of SUD by left-wing elements. Reformist unions, including CFDT, FO, CGC, and CFTC, have been associated with negotiating 'social regression agreements.' The CGT and SUD, however, faced challenges in reaching agreements, particularly on methods of action. Over time, reformist unions gained ground among new hires, especially in managerial roles, while the CGT underwent transformations to encompass workers beyond Orange, dealing with the challenges posed by subcontracting and self-employment.

*“The CFDT, which shifted its focus towards a more reformist form of unionism, excluded left-wing elements from its organisation in the 1980s and 1990s. Rather than joining the CGT, this faction chose to create SUD. This period of strong internal struggles made the situation complex. The reformist unions, including CFDT, FO, CGC, and CFTC, have negotiated significant ‘social regression agreements’ over the years. The CGT and SUD encountered difficulties in reaching agreement on methods of action. Gradually, the reformist unions gained ground among new hires, particularly among cadres and cadres supérieurs. The CGT for the PTT transformed into the federation for postal and telecommunications activities. This change aimed to organise workers from other telecommunications companies besides Orange, including subcontractors. ‘However, this was a challenging task due to the rapid growth of precarious employment through cascading subcontracting and even self-employment’. Electoral successes didn’t always lead to increased union membership.” -JM*

The contrasting approaches of reformist and more militant unions are highlighted in the negotiation strategies. Reformist organisations, often prioritising negotiation through compromises, faced setbacks despite labour struggles. In contrast, the CGT succeeded in establishing interactive long-distance debates between management and unions, emphasising the importance of robust, struggle-oriented approaches to secure social benefits. These insights underscore the intricate relationship between union dynamics, worker representation, and the broader landscape of labour negotiations at France Télécom.

*“In France, and particularly at France Télécom, which is now Orange, reformist organisations, with the complicity of employers and successive governments, including socialist governments, have often prioritised negotiation through*

*submission or unfavourable compromises. This approach has led to significant setbacks over the years, even in the face of powerful labour struggles. The CGT, on the other hand, has managed to impose interactive long-distance debates between management and unions.” -JM*

*“I’ve never seen social benefits without a struggle.” JM*

JM indicates a decline in the active participation or influence of workers at the foundational levels of the organisation. This may imply a disconnection between the workforce and the decision-making processes, potentially limiting the impact of grassroots perspectives on organisational policies.

*“There is less presence at the grassroots level.” -JM*

#### 6.3.2.2.2 Election Results

The analysis begins with an examination of the election outcomes for the Commissions Administratives Paritaires Centrales (CAPC), conducted triennially from 1977 to 1989. These electoral results provides a comprehensive overview of the changes in the union landscape at France Télécom during this period. However, it is crucial to acknowledge a data break between 1989 and 1994 due to structural adjustments. Before 1990, the Telecoms and postal service were amalgamated, influencing the nature of these elections.

In a transformative shift in 1991, France Télécom transitioned from an administrative entity to a public service provider. This pivotal change set the stage for the inaugural elections to the Commissions Administratives Paritaires (CAP) and Commissions Consultatives Paritaires des Contractuels (CCPC) in 1994. These distinct bodies represent various aspects of employee interests within the French public

sector. Notably, the CAPC operated on a regional scale, contrasting with the national scope of the CAPN, while the CCPC specifically addressed contractual civil servants.

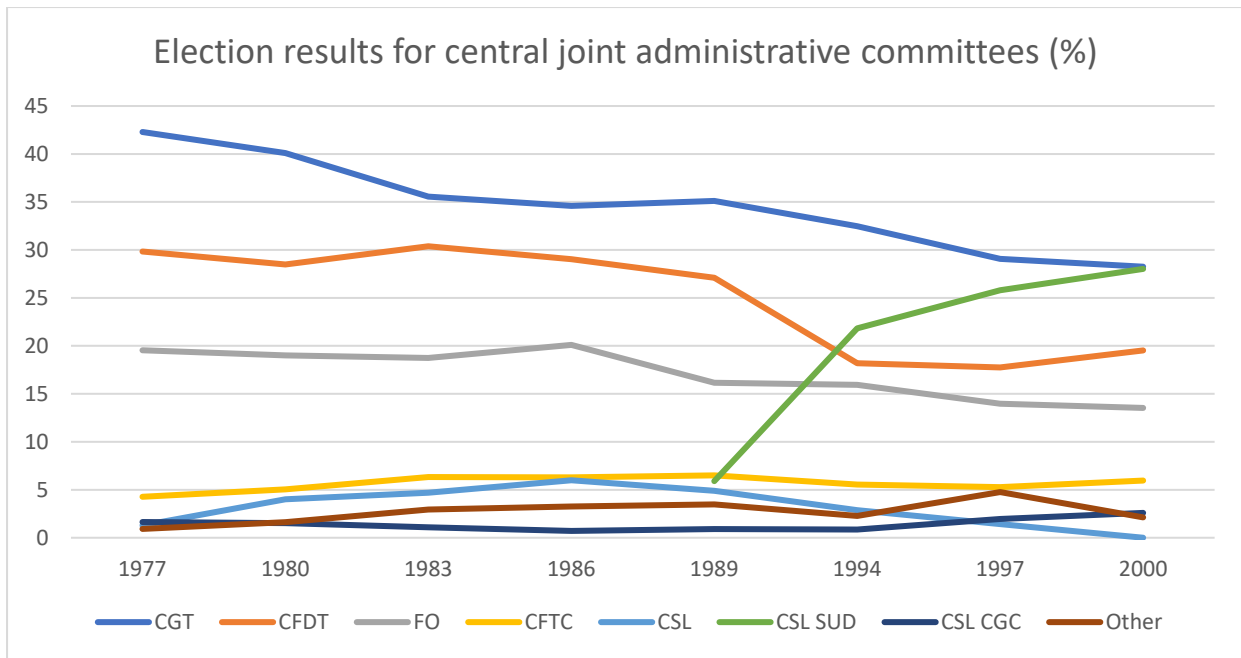
These are all different employee representation bodies within the French public sector. The main difference between the CAPC and the CAPN is that that CAPC is a regional entity while the CAPC is a national entity. While CCPC is the body representing contractual civil servants.

The graph below shows the election results for the central joint administrative committees, which are national employee representation bodies in the French public sector, from 1977 to 2000.

Despite the data break between 1989 and 1994, assumptions can be made about the continuity of trends during this period. The subsequent analysis reveals a noteworthy increase in SUD votes and a corresponding decrease in CFDT votes. This shift is attributed to the CFDT's support for the 1990 Quilles reform, prompting many of its members to join SUD, aligning more closely with social and environmental justice issues and challenging the prevailing status quo. This juncture marks a significant turning point as CFDT evolves into a more reformist stance.

The graph also shows that the radical unions, CGT and FO, lost votes over time. CGT was the most dominant union in 1977, with around 40% of the votes, but it dropped to around 20% in 2000. FO also decreased from around 25% in 1977 to around 15% in 2000. The graph shows that the more moderate unions, CFTC and CSL, maintained a stable share of the votes, ranging from 10% to 15%. The graph also shows that the CSL CGC, a union representing managerial staff, increased its share of the votes from around 5% in 1977 to around 10% in 2000. The graph also shows that the Other category, which includes independent candidates and smaller parties, had a very low share of the votes, ranging from 5% to 10%.

Figure 6.10: Election results for central joint administrative committees (%)



17

Source: Bilans Sociaux

Notes: The cfdt and the fnt ran together in 1980.

### 6.3.2.2.3 Central Committee of the Economic and Social Unit

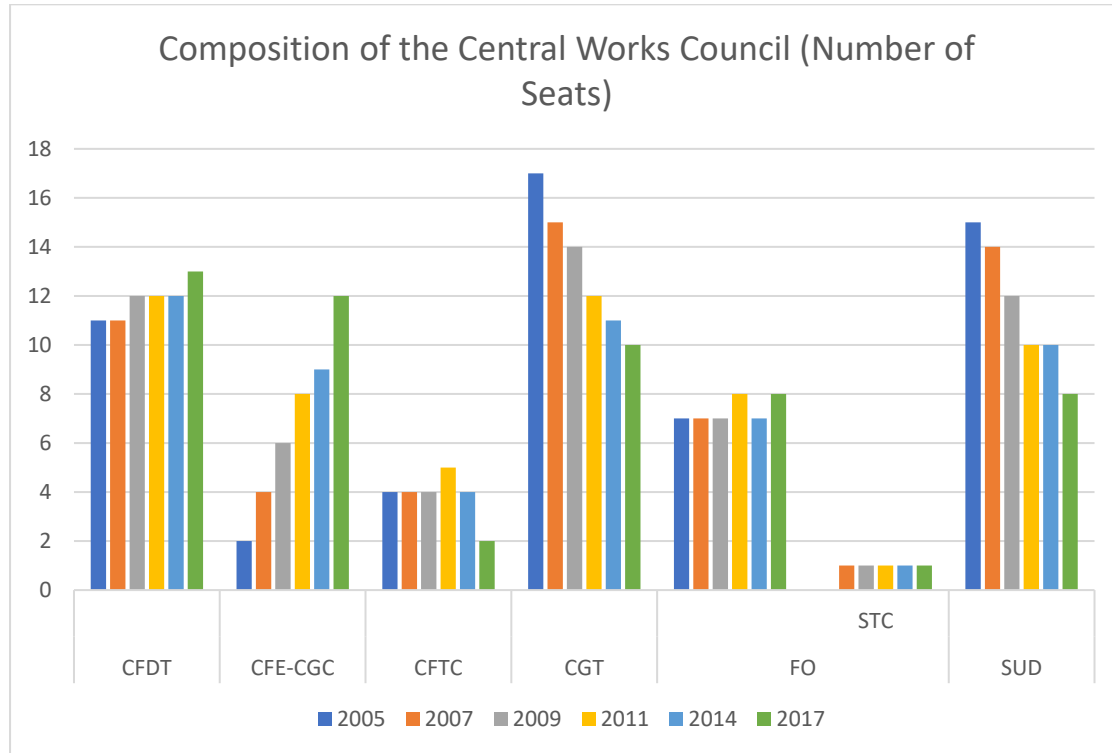
The analysis reveals a notable reconfiguration in the composition of the Central Works Council (CCE), particularly in the distribution of seats between workers' unions and managers' unions. The CCE, functioning as a committee representing employees across multiple establishments, holds a consultative role in economic, social, and cultural matters. Distinguishing between the CCE, which deals with overarching company matters, and the CE, which addresses local establishment issues, provides a nuanced understanding of their respective roles.

The focus is on the increased influence of reformist unions, specifically the CFDT and CFE-CGC, as they garner more seats on the central works council. This shift is accompanied by a progressive displacement of SUD and the CGT, historically dominant workers' unions, from their prominent

<sup>17</sup> This representative instance is specific of the French public sector, hence why it ceased to exist once the company was privatised. Nevertheless, it is still a useful indicator of how employees vote. Unions such as the FNT or AIT are Telecom specific unions. FNT which was quite big, got absorbed by the CFDT

positions on the CCE. The CGT and SUD observe a diminishing number of seats on the central works council over the years, indicative of a changing power dynamic. Meanwhile, the FO and STC experience varying levels of representation.

Figure 6.11: Composition of the Central Works Council (Number of Seats)



Source: Bilans Sociaux

This redistribution is underscored by the rise of 'cadres' within the company—employees with managerial responsibilities. Notably, the CFDT and CFE-CGC emerge as the predominant unions on the CCE, signifying a substantial transformation in the representation of employee interests at the broader organizational level. The implications of this shift extend beyond the CCE, potentially impacting inter-union relations, negotiation dynamics, and the overall balance of power within France Télécom.

*“The ‘cadres’ rate increased to more than 50%, so the CGT was the majority union until 2012, 2013 – now CFDT is the majority union, and after that, the CGE CGC.”*

EV

The diminishing electoral influence of radical unions, in particular the CGT, within the context of France Télécom holds profound implications for the powers and capabilities of workers. This shift encompasses a range of critical dimensions in labour representation. The erosion of support for radical unions implies a potential reduction in collective bargaining power for workers, as these unions traditionally adopt more confrontational negotiation approaches. Moreover, the weakened electoral strength of these unions may result in less effective representation of workers' concerns in decision-making processes within the company. This decline could also lead to a diminished presence of worker-centric perspectives in key organisational structures, influencing the formulation of policies and practices. Furthermore, the decreasing influence of radical unions might compromise the capacity to mobilise collective action and foster solidarity among workers, impacting the effectiveness of actions such as strikes or protests. Workers may also face increased vulnerability to policy changes without the robust advocacy typically provided by radical unions. Ultimately, this shift suggests a broader trend towards more reformist approaches within the labour movement, potentially altering the nature of union activities and their alignment with the interests of the workforce at France Télécom.

### 6.3.3 Collective Bargaining

#### *6.3.3.1 Negotiation Shifts at France Télécom*

##### 6.3.3.1.1 Navigating the Individualisation of Contracts: Unravelling Diverse Collective Conventions

The interviews provide a detailed narrative of the transformative changes in unionisation and labour dynamics at France Télécom. The separation of the Post Office and France Télécom into independent legal entities marked a pivotal moment, triggering substantial shifts in the company's structure and decision-making processes.



The account provided by JM offers a comprehensive narrative of the profound shifts in unionisation and labour dynamics at France Télécom over the years. The separation of the Post Office and France Télécom into independent legal entities marked a pivotal moment, triggering substantial changes in the company's structure and decision-making processes. The shift from parliamentary-level budget decisions to each legal entity facilitated the establishment of private rights subsidiaries alongside civil servants, leading to the coexistence of different collective bargaining agreements. A deliberate political choice to outsource activities through subcontracting, coupled with the discontinuation of civil service competitions and the partial replacement of departures with private sector employees, further reshaped the employment landscape:

*“The rate of unionisation has undergone significant changes. In 1977, the CGT union for civil servants within the powerful PTT administration was strong. However, after the separation of the Post Office and France Télécom into independent legal entities (Epic), the budget decisions shifted from the parliamentary level to each legal entity. This change in the company's status allowed the establishment of private rights subsidiaries, coexisting with civil servants and different collective bargaining agreements. Additionally, there was a political choice to outsource activities through subcontracting, discontinuing civil service competitions, and partially replacing departures with private sector employees.” JM*

As technology advanced, the company increasingly outsourced, opting for fewer employees and a reliance on subcontractors. The coercive approach of "buying" workers by encouraging early departures facilitated a swift transition of technical jobs to call centres. This shift towards outsourcing and structural reorganisation created a challenging work environment, vividly illustrated by JM's description of arriving at work to find no chairs or desks. This unsettling environment coincided with

a tragic period marked by suicides, underscoring the human toll of these profound organisational changes:

*“As technology advanced, they started to outsource more. They hired fewer employees; it was easier to replace them with subcontractors. They "bought" the workers by encouraging them to leave early. Without too many conflicts, they succeeded in getting rid of the personnel. They wanted to speed up the transition of technical jobs to call centres. You get to work one morning, and there were no more chairs, no more desks. That's when the suicides started happening.” -JM*

Jean Bartholome, who was the Federal Secretary of the Postal and Telecommunications (PTT) for the CGT criticised France Télécom and La Poste’s approach to the Collective Convention:

*“Their approach aims to develop a recruitment process outside public law with minimal guarantees to enhance workforce flexibility and reduce public employment.” (Bartholome, 1991)*

In addition, we note that Bartholome (1991) uses quotation marks around the term “negotiations”. This suggests a level of scepticism or reservation regarding the nature or effectiveness of the negotiations. By placing the term in quotes, it indicates a certain distance or doubt about whether the process described truly aligns with what might conventionally be understood as negotiations. It serves to communicate that, despite the label of "negotiations," the CGT's influence or input in the process may be limited or not fully recognised. Bartholome underscores that these developments are occurring to implement flexibility at work. This emphasis suggests a concern about the introduction of flexibility at the cost of worker rights and powers.

#### 6.3.3.1.2 Individualisation of Remuneration and Leadership Transition

The separation of civil servant grade from the job introduced a significant departure from traditional civil service norms. While civil servants retained ties to civil service status, adherence to the company's management rules, including promotions, advancements, and merit-based mobility, became the norm rather than competitive examinations. This shift towards individualised remuneration, coupled with constant changes in job roles and telecommunications fields, created an atmosphere perceived as "detestable":

*“Another aspect was the separation of the civil servant grade from the function performed. Although civil servants remained tied to the civil service status, the functions required adherence to the company's management rules, including promotions, advancements, and merit-based mobility rather than competitive examinations. The atmosphere, characterised by individualised remuneration, became ‘detestable’ due to constant changes in job roles and telecommunications fields. Beyond the disappearance of civil service examinations, new employees were placed under private sector statutes with collective conventions more aligned with a private company model than a public one.” JM*

An important aspect of this shift was the transition from a limited set of 20 grades to a significantly expanded range of around 200 different functions. This further contributed to the individualisation of contracts.

*“Went from 20 grades to around 200 functions” JM*

The recruitment of new personnel under private sector statutes, particularly in management and project leadership roles, with pay based on results, represented a notable shift. The leadership transition from individuals promoted internally with a focus on public service to leaders with backgrounds from the private sector, such as business schools, reflected broader changes in organisational culture:

*New categories of personnel (management and project leaders) were recruited under private sector statutes with pay based on results. France Télécom's leadership, previously promoted internally with a focus on public service, was replaced by leaders from a private sector background (business schools, etc.)." -*

*JM*

#### 6.3.3.1.3 Evolution of Collective Conventions

The transformation of collective conventions at France Télécom represents a profound restructuring of the employment landscape. The transition from a system of 20 grades to around 200 functions signals a fundamental shift in how job roles are classified and evaluated within the company. This restructuring is accompanied by the elimination of competitive examinations, reflecting a departure from traditional methods of assessing and promoting employees. The individualisation of salaries and positions further underscores the move towards a more personalised approach to remuneration, introducing a dynamic element to compensation structures.

The statement that the company is now tied to 30 different collective conventions highlights a significant increase in the diversity of agreements governing employment conditions. This diversification introduces complexity and potential disparities in how workers are treated, as they fall under different collective conventions. The observation that even the union may struggle to determine the applicable convention underscores the intricate nature of this evolving framework, suggesting challenges in communication or clarity surrounding these agreements.

*“The collective conventions that surround us have evolved, and we are now tied to 30 different collective conventions. This division of workers occurs because they fall under different collective conventions. Sometimes, even the union doesn't know which collective convention applies.” JM*

The lack of awareness among the majority of workers regarding their collective conventions raises concerns about transparency and communication within the organisation. This lack of awareness could potentially contribute to misunderstandings and disparities in how employment conditions are understood and applied among the workforce.

*“The majority of workers are not aware of their collective convention” EV*

RB also highlights that subcontractors are unaware of the collective convention under which they fall, and the assertion that some workers are under a collective convention that no longer reflects their work, highlight potential issues of misalignment between the evolving nature of job roles and the existing collective agreements. This misalignment may contribute to a lack of congruence between the actual tasks performed by workers and the terms set out in their collective conventions.

*“Subcontractors do not know under which collective agreement they are” RB*

*“some workers are under a collective convention that does not even reflect their work anymore” - RB*

The impact on unionism was substantial. The need for stability to organise and exchange ideas, inherent to effective unionism, was challenged by the fragmentation of services, subsidiaries, and subcontracting companies. Hierarchical collective bargaining structures lacking local autonomy contributed to the decline of grassroots unionism. Frequent and forced reorganisations destabilised

trade unions, leading to the outsourcing of technical and execution roles and a weakening of historical union forces:

*“Unionism requires stability to organise and exchange ideas. By fragmenting services, subsidiaries, and subcontracting companies while organising hierarchical collective bargaining structures without local autonomy, grassroots unionism lost many of its members. Frequent and forced reorganisations destabilised the trade unions. Over the years, technical and execution roles were outsourced, and historical union forces weakened.” -JM*

The mention of the loss of many members within grassroots unionism suggests that the disruptions caused by frequent and forced reorganisations have had a tangible and negative effect on the union's membership base. The destabilisation of trade unions is attributed to these ongoing changes, indicating that the turbulence in the organisational structure has hindered the unions' ability to maintain a strong and cohesive presence. Furthermore, the outsourcing of technical and execution roles, as well as the weakening of historical union forces, signifies a broader shift in the dynamics of labour relations. The company's actions have not only affected the immediate stability of union activities but have also had lasting consequences on the strength and influence of unions within the company.

In the 2000s, the creation of the works council and employee representatives resulted in a fracture in the unity of the personnel. The regional affiliation, requiring delegates to travel long distances to participate in negotiation structures, led to the outcome that many delegates chose not to travel, thus exacerbating the disunity:

*“The creation of the works council and employee representatives led to a fracture in the unity of the personnel. Regional affiliations required delegates to travel long distances to attend negotiation meetings, and many delegates chose not to attend.” JM*

JM highlights a lack of awareness among workers despite working side by side for Orange and/or different subcontractors. The absence of genuine dialogue is attributed to the fact that these workers are employed by different companies. This observation underscores a communication gap and potential disconnect among workers who share a physical workspace but lack meaningful interaction due to their diverse employment affiliations:

*“There's a lack of awareness among workers – they work side by side but have little genuine dialogue because they work for different companies.” JM*

JM underscores the impact of individualisation on fostering divisions among workers, stating:

*“The individualisation of work and remuneration has contributed to a more intense division among workers.” - JM*

This suggests that the move towards personalised work arrangements and compensation structures has played a role in creating a greater sense of separation or divergence among employees within the organization. The emphasis on individualisation appears to be a factor contributing to the perceived intensification of divisions among the workforce.

Decisions are being made at the top, while discussion happens at local level:

*“With the establishment of EPICs (Public Industrial and Commercial Enterprises) and these Boards of Directors, the entire strategy and budgets of FT companies was decided within these structures. The board of Director consisted of 7 elected employees, 7 representatives of the state, and 7 individuals from various backgrounds.” -JM*

This marks the centralisation of decision making in large companies, while negotiations happen at an increasingly decentralised level.

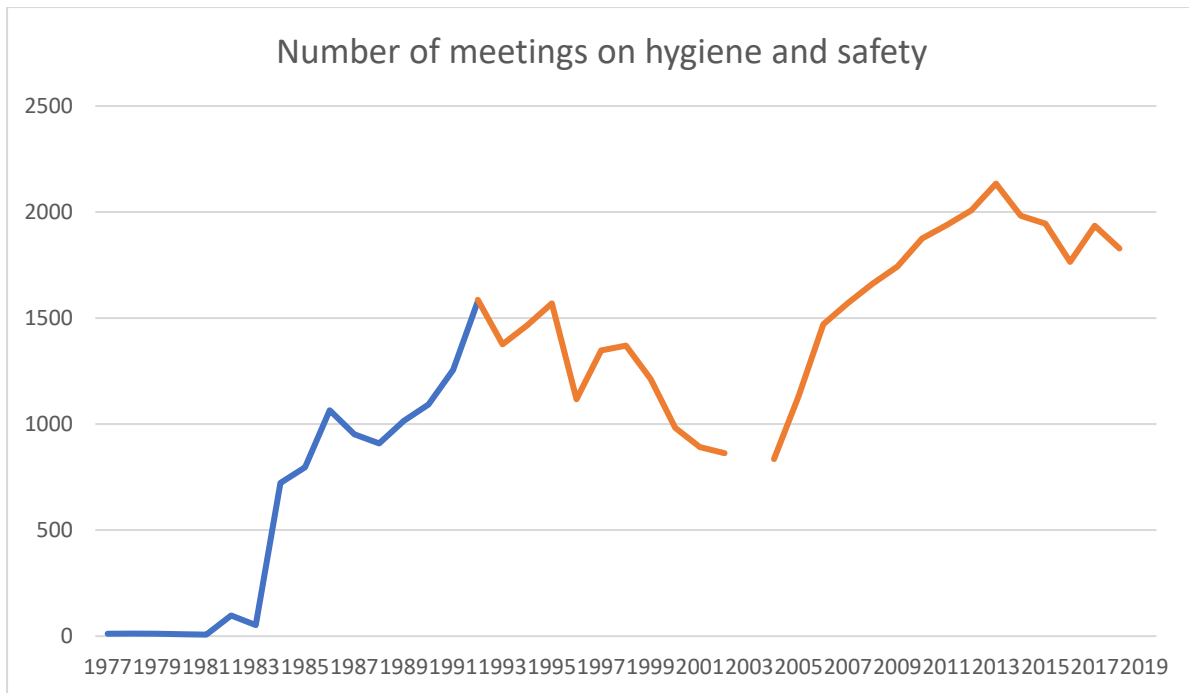
This transformation marked a significant shift in the landscape of decision-making within large companies. With the centralisation of key strategic decisions and budgetary matters at the level of Boards of Directors, the locus of power and influence shifted away from individual workplaces and towards these higher-level structures. At the same time, negotiations and are being decentralised to the establishment level - making them less influential and even somewhat redundant. The centralisation of decision-making processes effectively diminished the autonomy and bargaining power of individual company branches or divisions. With strategic decisions being made at a higher, more distant level, local negotiations hold less sway over the overall direction and policies of the organisation. Leading to a situation where firm-level negotiations have become less impactful and, in some cases, relatively ineffective. In essence, power has become increasingly concentrated at a higher echelon of corporate governance.

#### 6.3.3.1.4 CHSCT (Health, Safety, and Working Conditions Committee)

The analysis of CHSCTs is used as an example as it provides the longest time series data among the IRPs, and other IRPs have either breaks, are more recent, or lost relevance due to Orange's transition to a private company.



Figure 6.12: Number of meetings on hygiene and safety

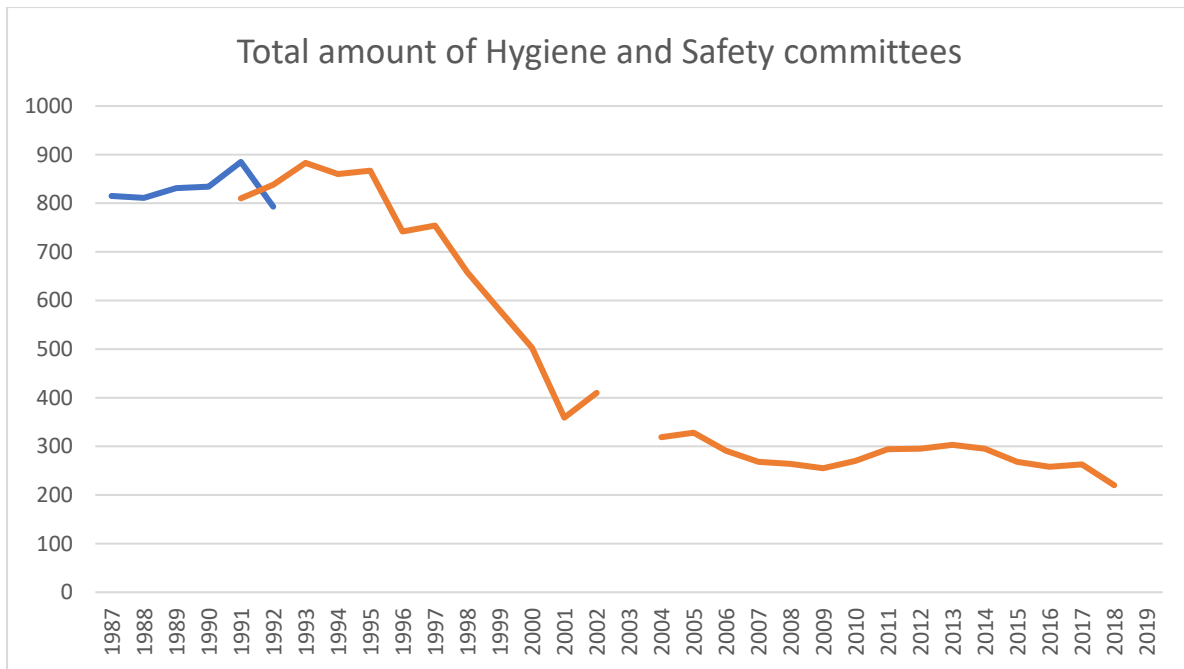


Source: Bilans Sociaux

Overall, the graph shows an increase in the number of CHSCT meetings over time, suggesting a notable increase in collective bargaining activities. The increased frequency of CHSCT meetings aligns with the anticipated trend of heightened collective bargaining activities at the national level. As negotiations and discussions are intensifying on a broader scale, it naturally translates into increased engagement and collaboration at various levels, including the local CHSCT meetings.

The data prior to 1982 focuses on the number of meetings specifically related to health and safety, reflecting the period before the implementation of the Aurox Laws, which introduced CHSCT. The noticeable increase in the number of meetings on health and safety post-1982 suggests that the Aurox Laws played a significant role in enhancing the focus on these critical aspects of workplace conditions.

Figure 6.13: Total amount of Hygiene and Safety committees



Source: Bilans Sociaux

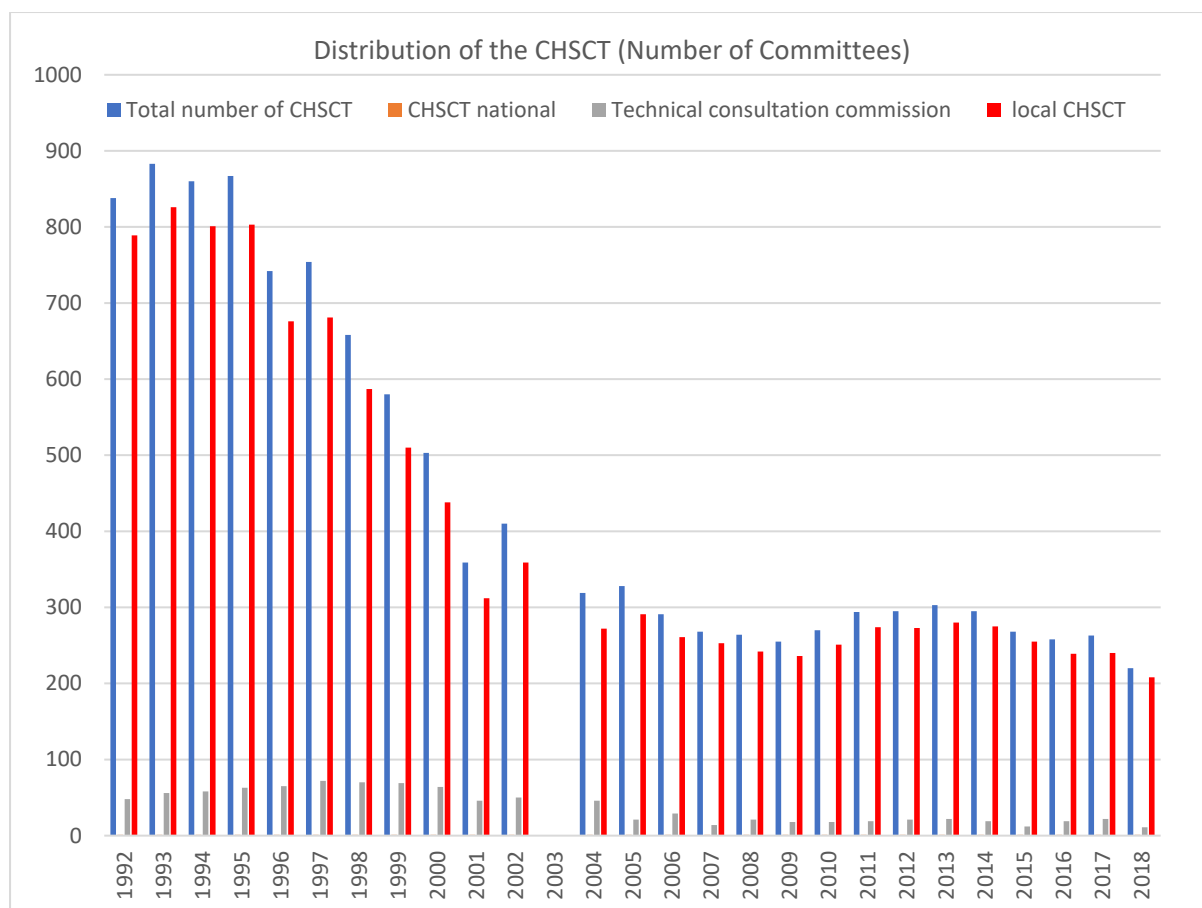
Note: The difference between the blue and orange is that the blue line is from meetings before the CHSCT was officially created under that name

We observe an increase in meetings and a decrease in the number of committees. This suggests a shift in the way decision-making and negotiations are conducted. While it can have multiple interpretations, one hypothesis is that this change may give the impression of increased negotiation and engagement, but it could potentially lead to a reduction in representativeness and mask its erosion.

Having more meetings could indicate a higher frequency of interactions between stakeholders, which may give the appearance of increased participation and dialogue. However, if these meetings are not adequately structured or inclusive, and if unions are marginalised, it can result in a decrease in the influence and effectiveness of employee representatives.

In this scenario, the increased number of meetings may not necessarily lead to meaningful negotiations or effective representation of diverse perspectives. Instead, it may create a superficial illusion of engagement while centralising decision-making power and reducing the role of workers in the negotiation process.

Figure 6.14: Distribution of the CHSCT (Number of Committees)



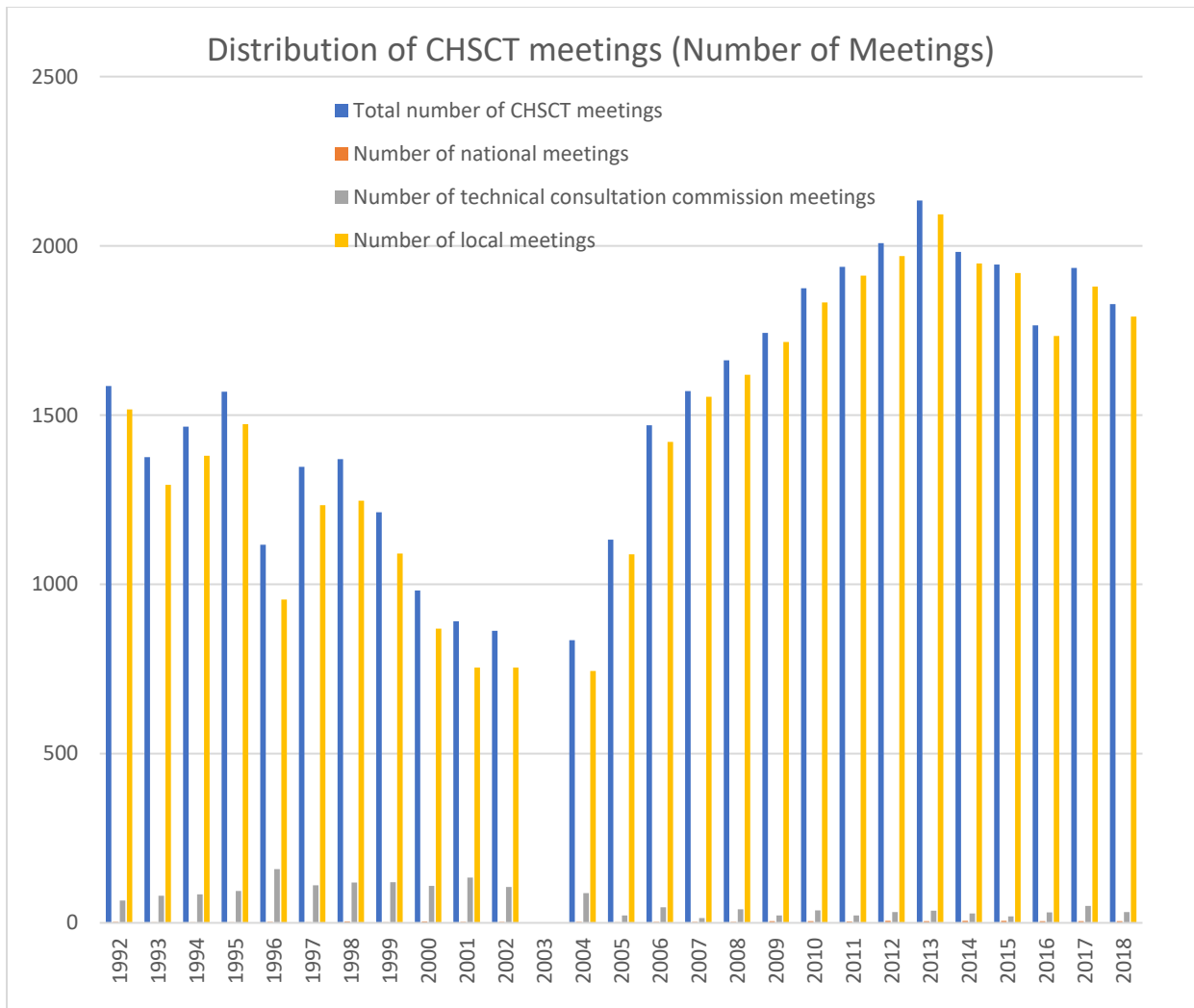
Source: Bilans Sociaux

Note: There is only one CHSCT at national level

The graph illustrates the decentralisation of collective bargaining at FT, with the majority of CHSCTs operating at the local level. Notably, there is only one CHSCT at the national level, emphasising the dispersion of decision-making and negotiation processes to local entities.

The absence of visibility for national CHSCTs on the graph further underscores the prominence of local-level committees in dealing with health, safety, and working condition matters.

Figure 6.15: Distribution of CHSCT meetings (Number of Meetings)

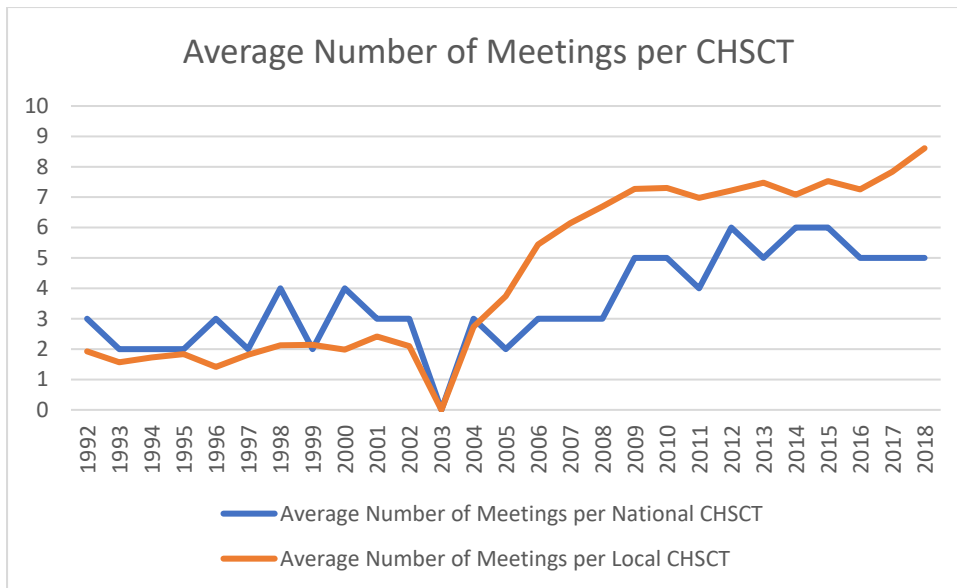


Source: Bilans Sociaux

Note: The number of annual national meetings oscillates between 2 and 6, which is why it is not visible on the graph

The prominence of local-level CHSCT meetings, as evident in the graph, aligns with the overarching shift towards decentralisation of collective bargaining.

Figure 6.16: Distribution of CHSCT meetings (Number of Meetings)



Source: Bilans Sociaux, Author's calculations

The graph above indicates a significant trend in the decentralisation of collective bargaining at FT. The increase in the average number of meetings per local CHSCT compared to the national CHSCT highlights a shift in collective bargaining towards the local level.

The micro-level trend of an increased number of meetings at the local CHSCT aligns coherently with the macro-level analysis, indicating a broader decentralisation of negotiation.

#### 6.3.3.1.5 Shift from negotiation to consultation

The interview responses surrounding negotiations at FT provides glimpse into the dynamics between employers and employees. Through the perspectives of JM, EV, and RB, a common theme emerges — a shift in negotiation processes that favours unilateral decision-making by employers. For example, when asked: Have you observed a growth in negotiations? JM's first response was:

*"We can speak more of consultation rather than negotiations."* To this question, EV replied: *"No, there are no more topics but fewer negotiations due to unilateral negotiations."*

JM's statement suggests a pattern where employers prepare for restructurings before negotiations, making the negotiation outcomes nearly predetermined. The staff is already experiencing changes, and unions are often caught off guard. This imbalance in information and timing indicates a power asymmetry between employee and employers.

*“Prior to negotiations, bosses prepare for restructurings, and when negotiations are initiated, it's almost a done deal. The staff is essentially already immersed in the changes, and unions are often caught off guard. By that time, the restructuring is so well underway (e.g., new offices, a new hierarchy) and unions only become aware of it once the restructuring is already in place.” – JM*

JM highlights a notable shift from local structures and negotiation margins to a centralised approach, accompanied by budget constraints impacting daily life improvements. Technocrats now drive projects, potentially detached from the actual work environment. Technological advancements have led to workforce reductions, and unions struggle to anticipate and control the impact of changes, hindering effective adaptation to the changing landscape.

*“Previously, there were local structures and local negotiation margins. Now there is no budget to improve daily life, and projects are implemented by technocrats who often do not understand the actual work environment. Technological advancements also led to a reduction in the workforce. Unions struggled to anticipate and control the impact of these restructurings, which made it challenging to adapt to the changing landscape effectively.” -JM*

The negotiation environment has worsened over time, marked by a shift from liable negotiators to passive "mailbox" entities. There is a lack of upward information flow, hindering effective communication. Additionally, reformist unions are observed to be less assertive, not challenging the

existing system. This suggests challenges in both communication and advocacy within the negotiation landscape.

*“This situation is worsening over time. In the past, there were negotiators, responsible individuals on the other side. Now, we're dealing with "mailbox" entities, and information rarely flows upward. Reformist unions do not challenge the existing system.” -JM*

JM points to a lack of meaningful dialogue, with personnel gradually being replaced, indicating a one-sided decision-making process. The term 'pseudo-negotiations' implies a facade of negotiation without substantive engagement, suggesting a tokenistic approach. The use of competition and the emphasis on competitive rates in negotiations highlight a focus on economic factors. This approach, raises concerns about the negative impacts on employees. This suggests a challenging situation for unions, with a lack of genuine dialogue and unbalanced negotiation dynamic in favour of capital.

*“There was no significant dialogue; personnel was gradually replaced. It was very difficult for the unions; they engaged in ‘pseudo-negotiations’. They used competition and the need for competitive rates – it's the employees who paid the price.” JM*

EV's statement highlights a transformative period in negotiations, characterised by a decrease in conflict, suggesting a significant shift in power dynamics in favour of capital.

*"Changes at the negotiation level - everything happened through a power struggle until Orange was privatised. We used to meet with the management once a month." - EV*

Additionally, the reference to meetings with management once a month before the privatisation suggests a more regular and potentially collaborative negotiation structure that underwent substantial changes.

Indeed, negotiations are increasingly taking place at the local level, but managers involved often have limited decision-making authority regarding firm-level changes. This decentralisation further indicates the gap between the negotiation process and those with the power to enact meaningful organisational changes, leading to decreasingly meaningful negotiations.

EV states that the NAO are concluded through unilateral decisions by management and suggests a departure from genuine negotiation, with decisions being made unilaterally. The use of "increasingly systematic" implies a trend of this nature becoming more prevalent over time. This suggests a decreased effectiveness of the negotiation process and minimal considerations towards the input of the workforce and unions in the decision-making process on wages (and other mandatory themes) at the national level.

"At the national level, it is mandatory to negotiate on wages. The NAO are concluded through unilateral decisions by management. This trend has become increasingly systematic" EV

JM's statement further suggests a causal link between the expansion of collective bargaining and a significant occurrence of restructuring:

*"The expansion of collective bargaining has led to loads of restructuring" JM*

As the negotiation process becomes increasingly unilateral, workers and unions lose bargaining power, therefore allowing the employer to implement harsh restructuring plans such as the NEXT plan.

This imbalance in the negotiation dynamics between employers and trade unions is also reinforced by the reluctance of employers to engage directly with the demands put forward by trade unions.

Conversely, employers call upon trade union organisations to negotiate on their own projects, indicating a more proactive stance from employers in shaping the negotiation agenda. This stresses a potential power imbalance in favour of employers, both in terms of the issues discussed during negotiations and the direction of those discussions.



*“It is very uncommon for the employer to agree to negotiate on the demands of the trade unions. Conversely, the employer calls upon the trade union organisations to negotiate on its own projects.” JM*

*“ When seeking input, there is a consultation, not a negotiation” RB*

RB highlights the fact that the introduction of subcontracting was not negotiated by FT with FT employees.

*“Subcontracting is not negotiated by the employers.” RB*

In addition, FT has no obligation to negotiate with subcontractor, and therefore does not negotiate with them. Contracts are imposed unilaterally by Orange.

The insights shared by JM, EV, and RB collectively paint a picture of evolving negotiation dynamics marked by a diminishing role for employees and unions in decision-making processes. From the anticipation of restructuring before negotiations even commence to the challenge of adapting to technological advancements and subcontracting decisions made without negotiation, a common thread of reduced bargaining power for workers emerges. As the narrative unfolds, it becomes evident that the balance of power within negotiations has shifted, prompting a closer examination of the implications for workers material conditions.

### *6.3.3.2 Redefining Unionism at France Télécom: Collective Agreements, Labour Dynamics, and the Shift Toward Individualisation*

#### *6.3.3.2.1 Signed Collective Agreements*

Examining the available information reveals a consistent trend during the period under consideration (1994-2002): the CGT, the union holding the highest number of votes during this period within the company, often abstains from signing agreements. This pattern may lead to the inference that the agreements being signed may not necessarily align with the best interests of the workers. The fact

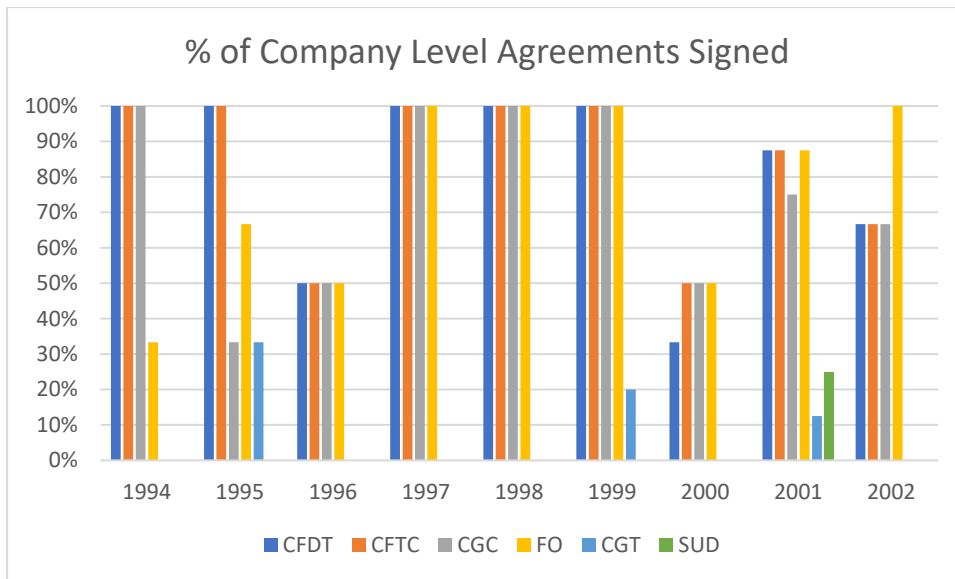
that the CGT - known for its radical stance and significant influence in France - consistently chooses not to sign these agreements further supports the notion that these may not be in the workers' best interests.

This observation raises important questions about the content and negotiation process of these agreements. It suggests that there might be a disconnect between the agreements reached and the demands or concerns raised by the CGT, which is considered a significant representative of workers' interests. The CGT's refusal to sign the agreements indicates that they perceive the terms or outcomes as not adequately addressing the workers' needs, potentially resulting in negative consequences for the workforce.

By considering the CGT's consistent refusal to sign agreements alongside their prominent role in representing workers' interests, it suggests that these agreements may not fully reflect or prioritise the concerns and needs of the employees.

The data provided covers company-level agreements spanning from 1994 to 2002, derived from the 'bilans sociaux'. It's essential to clarify that this specifically addresses agreements signed at the national level. Despite a significant number of agreements signed at local levels, information regarding which unions are involved in local agreements is unavailable. As a result, the analysis of unions signing agreements needs to focus on the available company-level data.

Figure 6.17: Company Level Agreements Signed at National Level (%)



Source: Bilans Sociaux, Author's Calculations

Table 6.1: Number of Agreements Signed at National Level

Year	Number of Signings	CFDT	CFTC	CGC	FO	CGT	SUD
1994	3	3	3	3	1	0	
1995	3	3	3	1	2	1	
1996	2	1	1	1	1	0	
1997	5	5	5	5	5	0	
1998	1	1	1	1	1	0	
1999	5	5	5	5	5	1	
2000	6	2	3	3	3	0	
2001	8	7	7	6	7	1	2
2002	3	2	2	2	3	0	

Source: Bilans Sociaux

The presented data outlines the count of collective agreements signed at the company level from 1994 to 2002, categorized by different trade unions (CFDT, CFTC, CGC, FO, CGT, SUD). Noteworthy trends include the consistent high participation of CFDT, occasional contributions from CGC and FO, and a lower frequency of signings by CGT. SUD, a relatively new union, is observed with minimal activity.

Details of the agreements can be found in the appendix.

The focus here is on understanding the apparent lack of participation by CGT. Rooted in radical unionism, the primary hypothesis suggests that CGT refrains from signing due to a misalignment with

the best interests of the workers. This hypothesis is informed by the broader examination of archived documents related to negotiations, especially those concerning the telecom collective convention. These documents serve as valuable resources for uncovering the CGT's perspectives, shedding light on their considerations and stance during critical discussions. The aim is to delve into these archives to unveil the reasons behind CGT's consistent decision not to sign agreements, providing a comprehensive understanding of their perspective in the broader context of telecom sector negotiations.

In the face of potential exclusion from negotiations, the CGT demonstrated resilience, countering any assumption that their non-participation in signing agreements stems from a lack of willingness to engage. A pivotal moment in this context is a correspondence dated November 4, 1992, addressed to CGT members, where concerns about the negotiation process for salary agreements within the Collective Agreement are outlined.

The letter reveals that the CGT and workers faced a threat of exclusion from annual salary negotiations, a process crucial for worker interests (CGT, 1992). La Poste and France Télécom sought to negotiate exclusively with specific signatories, bypassing the legal requirement for inclusivity (CGT, 1992). The CGT responded by highlighting the deliberate attempt to marginalise them, emphasising the necessity for transparency and unity to resist exclusion (CGT, 1992). The letter strongly advocates for the presence of all representative trade unions in negotiations (CGT, 1992). It underscores that the operators aimed to negotiate selectively, excluding the CGT, a move seen as a deliberate strategy to weaken their collective bargaining power (CGT, 1992). The letter suggests that negotiations might be divided between La Poste and France Télécom, limiting discussions to general salary increases for 1992, further diminishing the CGT's influence (CGT, 1992).

The tone of the letter conveys a sense of urgency and concern, depicting these divisions as detrimental to the negotiation process and, by extension, to the interests of the workers. The author passionately argues against such exclusionary tactics, calling for transparency, unity, and the inclusion of all

representative trade unions in negotiations. The exclusion of the CGT is framed as an undesirable and unacceptable manoeuvre by the employers to curtail the influence of specific unions in the negotiation process. There is a discernible and explicit objective on the part of FT to sow division among unions by attempting to exclude the CGT of negotiations. This strategic move, aimed at marginalising a significant union player, underscores a calculated effort to create fissures within the union landscape. The act of exclusion becomes a tool not just in the negotiation process but as a means to weaken collective bargaining power, fostering disunity among unions. The attempt to isolate the CGT reveals a deeper agenda to disrupt the cohesion and strength that unions gain through inclusivity. In this context, the exclusionary tactics employed by France Télécom represent a deliberate strategy to fragment the unity among unions, potentially influencing the negotiation dynamics in their favour.

In the end, the CGT was successful in retaining their position at the negotiation table, but still did not sign many agreements. It suggests that the CGT's infrequent signings may be a deliberate choice driven by a commitment to the interests of workers.

In 1991, the CGT stood in solidarity with non-permanent employees, cadres, and other personnel of La Poste and France Télécom who expressed dissatisfaction with the proposed Collective Convention. Thousands urged trade unions, including the CGT, not to sign a convention they perceived as distant from their vital needs. The CGT, aligning itself with the wishes of the workers, refrained from signing, while other unions proceeded.

*“By the thousands, non-permanent employees, cadres, and ‘other personnel’ of La Poste and France Télécom have been urging trade unions for months not to sign, on their behalf, a Collective Convention that they consider to be very distant from their vital needs.” (CGT, 1991)*

The CGT asks: "*A Collective Convention built with the employees or imposed upon them?*"(CGT, 1999a). The CGT's approach is to actively build and defend both individual and collective guarantees in collaboration with the concerned employees(CGT, 1999a). Information dissemination plays a crucial role, as highlighted in the communication(CGT, 1999a). The situation arising on December 2nd is seen as a moment for employees to grasp the significance and establish the necessary balance of power(CGT, 1999a). Indeed, the CGT opposed the signing of an agreement on the scope of the Telecommunications Collective Convention on December 2nd, stating that it lacks coherence. This disagreement stems from the fact that signing the agreement ( by the UNETEL, the CFDT, the CTFC, FO and the CGC) without negotiating the rights and guarantees of employees is not acceptable(CGT, 1999a).

The CGT questions the rush in signing, speculating whether it aims to structure a sector without the input of affected employees, especially when some already have significant guarantees(CGT, 1999a). The Ministry of Employment's representative's intent to swiftly extend the agreement to all sector companies suggests a possible motivation(CGT, 1999a). There is a concern that the agreement might be filled with only minimal guarantees, with a single signature potentially imposing it across the validated scope(CGT, 1999a).

The narrative emphasises the need for collective efforts to make concerns and demands, including those related to the scope, heard in negotiations(CGT, 1999a). This urgency is also stressed in upcoming negotiations on working hours and employee utilisation conditions(CGT, 1999a). The UNETEL's intentions to create "usage" contracts and excessive flexibilisation are highlighted, raising concerns given the predominantly permanent and rapidly growing nature of activities in the sector(CGT, 1999a).

Once again, the signing of an agreement clearly results in increasing flexibility. Additionally, this situation provides evidence that no negotiations took place before the signing of this specific accord, raising questions about the transparency and inclusivity of the negotiation process.

The position of the CGT regarding the negotiations on the Collective Agreement in the Telecommunications sector is characterised by a comprehensive and critical evaluation of the proposed collective convention:

The CGT expresses dissatisfaction with the lack of measures aimed at promoting employment growth in the sector. This deficiency is deemed significant in the context of the proposed Collective Convention (CGT, 2000a). The CGT criticises the proposed minimum salary levels, considering them inadequate (CGT, 2000a). This reflects the union's commitment to securing fair and adequate compensation for workers. The CGT advocates for improved career development guarantees and a serious revision of job classifications (CGT, 2000a). This demand highlights the union's emphasis on acknowledging qualifications and ensuring career advancement opportunities. The document notes the omission of discussions on specific working conditions unique to the sector, particularly for operators in call centres and other roles (CGT, 2000a). This absence is identified as a drawback in the current text, indicating the CGT's attention to sector-specific concerns. The CGT raises concerns about the patronat's (employers') approach to social dialogue and individual/collective workers' rights (CGT, 2000a). Criticism of practices within some establishments, including restrictions on union affiliation and alleged pressures on union activists, reflects the union's commitment to protecting workers' rights. The CGT reaffirms its stance against what it perceives as unilateral impositions by the employers' side (CGT, 2000a). This opposition underscores the union's dedication to fair and inclusive negotiation processes. The CGT emphasises that its proposals align with the expectations of workers in the sector (CGT, 2000a). This alignment underscores the union's commitment to advocating for the interests and well-being of the workforce. The CGT commits to continuing discussions and advocating for workers' demands. The union aims for broad unity among different workers' organizations, highlighting its dedication to fostering collaboration within the workers' movement (CGT, 2000a). The commitment to informing workers about ongoing negotiations and encouraging them to voice their opinions demonstrates a transparent and inclusive approach.

The CGT's position reflects a thorough and critical evaluation of the proposed Collective Convention, emphasising the need for improvements to better meet the expectations and rights of workers in the Telecommunications sector. The union's commitment to ongoing dialogue, advocacy, and unity underscores its proactive role in safeguarding workers' interests during the negotiation process.

The proposed text for the collective convention, resulting from a year and a half of negotiations involving the CGT, has fallen short of employees' expectations, as outlined in CGT's records (CGT, 2000b). Despite the active participation of the CGT in these negotiations, employees express their desire for the sector to contribute more significantly to employment and to provide higher collective guarantees, especially considering the profits generated within the industry (CGT, 2000b).

In their efforts to ensure that the negotiation process adequately addresses employees' demands, the CGT collaboratively engaged with all present trade unions (CGT, 2000b). While some progress has been achieved, with certain advancements imposed on employers, the overall outcome is perceived as insufficient by the CGT (CGT, 2000b). Consequently, the union made the strategic decision not to sign the National Collective Convention for Telecommunications under these conditions (CGT, 2000b).

The collective aspiration of all participants, including the CGT, is to push further in securing guarantees for employees, both at the branch and establishment levels (CGT, 2000b). This collective goal aims to strengthen the balance of power in favour of employees (CGT, 2000b). Notably, this effort includes considerations for workers in call centres serving the telecommunications industry, a group not entirely covered by the existing collective convention (CGT, 2000b). The CGT's decision not to sign underlines its commitment to advocating for more robust and comprehensive measures that genuinely address the needs and rights of workers within the telecommunications sector.



The CGT's consistent refusal to sign agreements, coupled with their significant role in representing workers' interests, suggests that these agreements may not fully prioritise the concerns and needs of the employees. The deliberate attempts to exclude the CGT and the union's resilient response underscore the broader challenges within the negotiation process. The reluctance of the CGT to sign agreements emerges not as a lack of engagement but as a strategic choice, affirming their commitment to workers' interests.

#### 6.3.3.2.2 On the 35-hour week

The CGT remains vigilant and discerning in its assessment of the employers' actions, particularly in response to the law on working hours. In a statement addressing Mr. Seillere, the President of the CNPF, the CGT exposes what it perceives as an authoritarian and undemocratic stance of the employers. The threat to denounce national collective agreements is seen not as a genuine response to the law but as part of a long-standing strategy by employers to pursue total deregulation of wage labour for the sake of increasing profits.

The CGT asserts that employers, far from aiming to reduce unemployment, strategically utilise it as a tool to foster structural underemployment. This, in turn, creates pressure to lower wages and decrease employer contributions, ultimately contributing to a substantial increase in profits. The text underscores the CGT's belief that the employers' directives reveal a calculated approach that necessitates workers and the population to rely on their collective strength to shape policies that address unemployment, improve living standards, and expand collective rights.

The acknowledgment by the CGT that the employers' motivations extend beyond mere compliance with the law is crucial. It recognises the broader economic strategies at play, emphasising the employers' pursuit of capital accumulation through the manipulation of labour conditions. The CGT's commitment to mobilisation, seeking unity across branches and professions, reflects its dedication to making the 35-hour workweek a social conquest that serves the interests of job creation, wage

increases, and the enhancement of individual and collective rights for workers. In the face of perceived threats and tactics aimed at instilling fear, the CGT remains resolute, signalling its determination to advocate for the well-being of workers and resist measures that could compromise their rights and standards of living.

*"The statements of Mr. Seillere, President of the CNPF, threatening to denounce all national collective agreements due to the law on working hours, once again illustrate the authoritarian and undemocratic attitude of the 'Patronat'.*

*Regardless of what Mr. Seillere says, it is not the law that motivates him to challenge the collective agreements but rather the long-standing strategy of the employers. They did not wait for the law reducing working hours to emphasise the total deregulation of wage labour as a condition for increasing profits.*

*Employers do not want to reduce unemployment; they use it as a weapon to develop structural underemployment, increase pressure to lower wages, and reduce employer contributions, a corollary of the dizzying increase in profits. The employers' diktats show that workers and the population can only rely on their own strength to achieve a policy that reduces unemployment, improves the standard of living, and expands collective rights.*

*Mr. Seillière may think that his inflammatory remarks are meant to instill fear, intimidate, or discourage action. He should know that the CGT will not be swayed from its mobilisation efforts in branches and professions, seeking the broadest unitary convergences so that the 35-hour workweek becomes a social conquest in the service of job creation, wage increases, and the expansion of individual and collective rights for workers."(CGT, 1998)*

The CGT vehemently opposed the annualisation of hours within the telecommunications sector, articulating a dissenting stance for multiple compelling reasons, as documented in their records (CGT, 1999b). This opposition was particularly directed at employers who advocated for annualisation without presenting any measures aimed at creating employment, a point of contention for the CGT (CGT, 1999b).

The final discussions on the reduction of working hours in the telecommunications sector, held on June 4, 1999, served as a pivotal moment. Despite proposals from trade unions, including the CGT, to enhance the submitted document by UNETEL, employers categorically declared it as the "ultimate version". They conveyed a reluctance to consider modifications beyond details and adjustments, rejecting alterations to core points (CGT, 1999b). This inflexibility by employers in the negotiation process underscored the challenges faced by the CGT and other unions in advocating for changes that aligned with the demands of the employees.

Actively engaged in these discussions, the CGT staunchly represented the demands of the workforce through various actions. Their objectives encompassed not only the improvement of working conditions and the quality of life for all personnel, including 'cadres,' but also the creation of stable full-time jobs in the telecommunications sector and an increase in purchasing power for everyone (CGT, 1999b). The CGT's critique of the employer's proposal centred on its perceived contribution to increased flexibility, a concern aligned with their commitment to safeguarding the rights and well-being of the workers.

When UNETEL presented the agreement text for trade union organisations' signatures, a notable division among unions became evident. While the CFDT announced consultations with its organisations, FO, CFTC, and CGC had already expressed a relatively favourable opinion, indicating a lack of unified consensus among unions on the issue (CGT, 1999b). This fragmentation further highlighted the complexity of negotiations and the diverse perspectives within the union landscape regarding the annualisation of hours in the Telecommunications sector.

“The final discussions on the reduction of working hours in the Telecommunications sector took place on June 4, 1999. In response to the proposals put forth by the trade unions to enhance the document submitted by UNETEL, the employers indicated that this was the "ultimate version" and that they would only consider modifications for details and adjustments. This is indeed what happened; they rejected any changes to the core points”(CGT, 1999b).

The employers' strategy is evident in their pursuit to impose agreements by theme, a tactic exemplified by their approach to negotiating working hours within the branch. This deliberate choice to compartmentalise negotiations aligns with their objective to leverage the perceived distance of branch-level issues from employees, thereby negotiating outside a power relationship that favours the workforce (CGT, 1999c). The employers seek to exploit the perceived disconnection between employees and branch-level concerns, creating a situation where negotiations occur without the full weight of employee influence. The CGT's documentation highlights this strategic move by employers, emphasising their attempts to shape negotiations in a manner that potentially diminishes the bargaining power of the workforce in specific thematic areas, such as working hours.

As previously hypothesised, the documents substantiate the assertion that employers are strategically utilising negotiations on working hours to introduce flexibility at the firm level. Within the commission meeting addressing the reduction and organisation of working hours in the telecommunications sector, the CGT underscores the profound impact of this topic on the lives and working conditions of multiple generations of employees (CGT, 1999d). The CGT's primary goal in these discussions is the reduction of working hours to facilitate the creation of stable, full-time jobs and to address prevalent job insecurity (CGT, 1999d).

After an extensive six-month dialogue, the proposed agreement faces critique from the CGT, revealing their concerns about the employer's prioritisation of maximum profitability at the potential expense of job creation and the well-being of workers (CGT, 1999d). Specific objections raised by the CGT

include the removal of the phrase "creation of stable jobs" from the preamble, the abandonment of annualised working hours in favour of high-activity periods, and the retention of day-based counting despite its lack of legal recognition (CGT, 1999d). Additionally, the CGT expresses reservations about potential work intensification during a 12-week period at 44 hours per week, the exclusion of holidays and sick leave from hourly calculations, and the insistence on using reduced working hours for employee training (CGT, 1999d).

The narrative captures the sentiment that the implementation of the 35-hour workweek, known as RTT (reduced working hours), coincided with departmental restructuring, with the goal of employees essentially 'paying for' the 35 hours. While local struggles proved effective, there was a notable challenge at the national level, where reformist organisations signed off on what was described as unfavourable agreements. The CGT acknowledges the necessity of dedicated efforts on the ground to address the implications of these agreements, emphasizing the impact of such decisions on the workforce.

*“The implementation of the 35-hour workweek – RTT (reduced working hours), departments underwent restructuring – the goal is for employees to ‘pay for’ the 35 hours. Local struggles worked well, but not nationally. The CGT had to work hard on the ground because reformist organisations signed this ‘shit’.” JM*

#### 6.3.3.3 *Power concentration in the hands of management*

Managerial decisions are made with a significant degree of autonomy, potentially without sufficient consideration or responsiveness to the concerns and input of the workforce. This sentiment suggests a potential power imbalance in favour of management.

“the boss acts as they please.” -JM

This leads to a situation, as we have observed at Macro-level, leaves a vacuum in the negotiation space – as unions are losing power both because of their decrease presence, and their ever-increasing divisions. In particular, with the rise of managers and cadres unions, which do not represent the interests of the majority of workers. Indeed, as we have seen – even though there has been a decrease in technical jobs – they still represent the majority of workers at Orange. Reformists unions only represent a minority of workers.

In conclusion, the research at Orange unveils a disconcerting trend marked by a concentration of power firmly held by management within the intricate landscape of collective bargaining. This noteworthy revelation underscores a pivotal aspect of the negotiation dynamics, shedding light on the disproportionate influence wielded by employers. The implications of such a power concentration are profound, impacting the very essence of collective bargaining and, consequently, the conditions of the workforce. As the findings illuminate this concerning pattern, it becomes imperative for stakeholders, particularly unions like the CGT, to critically evaluate and address the challenges posed by the prevailing power dynamics. This insight serves as a call to action, urging a re-evaluation of strategies and the fostering of resilient approaches to navigate the intricate landscape of negotiations.

#### 6.3.4 Material Conditions

The coupling of low union density and high collective bargaining, has contributed to a shift from negotiation to dialogue. We have seen above that increasingly, unilateral decisions are being made. We have also seen that negotiation have the clear purpose of instilling flexibility at the firm.

This has been done by dividing workers, through externalisation of jobs, a myriad of different collective conventions and worsening wages and working conditions, particularly for those who are below the 'cadre' grade.

This section will delve into the changes in material conditions for workers over the course of the studied time-period, where data is available.

#### 6.3.4.1 *Workers divided*

Employers *"deliberately create divisions between managers and employees, fostering competition."* – EV

This reflects a perception of intentional and strategic actions by employers to sow discord and rivalry within the workplace. This analysis suggests that employers, rather than fostering a collaborative and cohesive environment, purposefully instigate divisions between different levels of the organisational hierarchy. The use of the term "deliberately" implies a calculated approach on the part of employers to create a competitive atmosphere among employees and managers. The underlying motive for such actions could be to maintain control, enhance productivity through internal competition, and weaken collective efforts by the workforce.

*"There used to be virtually no outsourcing before, so more outsourcing means more divisions."* - EV

This suggests a connection between the increase in outsourcing practices and the emergence of divisions within the workplace. The remark implies that the introduction or expansion of outsourcing activities has a tangible impact on the unity and cohesion among employees. The phrase "more divisions" implies that outsourcing contributes to creating or exacerbating rifts and disunity among the workforce. This observation aligns with the idea that changes in employment practices, such as outsourcing, can have profound effects on the dynamics of the workplace, potentially leading to

increased fragmentation or separation among employees. It prompts consideration of the broader implications of outsourcing on the social fabric within the organisation.

*“Competition among Orange employees themselves – from one department to another, between business managers and agents managing real estate projects, animosity among them.”- EV*

This highlights the existence of internal competition within Orange, leading to tensions and animosity among employees. The mention of competition between different departments and roles suggests a competitive atmosphere that extends beyond individual performance and may be influenced by organisational structures or practices.

*“Employees, what they see is their salaries. Not sure they are aware that there is a possibility of having another system. More fatalistic about other things. More difficult to trigger large strikes.” - EV*

This statement suggests that priorities have shifted towards individual material conditions rather than collective action. This perspective indicates a potential challenge in mobilising employees for broader issues beyond their individual compensation. The perception of fatalism about other matters could imply a sense of resignation or acceptance among employees regarding certain aspects of their working conditions.

The implications for workers' associational power in the context of Orange's collective bargaining dynamics are significant. The findings suggest a concerning trend of power concentration in the hands of management, as highlighted by testimonies and observations. The deliberate creation of divisions between managers and employees, fostering internal competition, and the increase in outsourcing contribute to a fragmented workforce.



This power concentration has implications for the strength of workers' associations, particularly in terms of collective bargaining. When divisions are created, it becomes challenging for workers to form a united front and negotiate collectively. Internal competition among employees can undermine solidarity, making it more difficult to mobilise for common goals. Moreover, the rise in outsourcing introduces another layer of complexity, as external contractors are not integrated into the collective bargaining process. This situation weakens the overall bargaining power of workers, as it becomes harder to address common concerns across different segments of the workforce.

*6.3.4.2 How have these shifts in unionisation and collective bargaining have allowed to bring flexibility at the firm?*

#### 6.3.4.2.1 Subcontracting

All individuals interviewed underscored the profound significance of the increasing prevalence of subcontracting within the operations of Orange/France Télécom. The emergence and proliferation of subcontracting arrangements have become a focal point in discussions, drawing attention to its far-reaching implications on the organisational structure, labour dynamics, and overall functioning of Orange/France Télécom.

The interviewees, across different perspectives and roles, unanimously acknowledged the notable and transformative nature of the surge in subcontracting. This acknowledgment is indicative of the widespread recognition of subcontracting as a key factor influencing the company's operations, possibly redefining traditional employment structures and relationships within the organisation. The prominence of subcontracting in the discussions highlights its emergence as a critical and influential force, prompting a deeper exploration of its implications in various dimensions.

The examination of subcontracting within the realm of Orange and its subcontractors unveils a landscape rife with intricate power dynamics, distinctive labour structures, and challenges in collective bargaining. This analysis seeks to navigate the complexities surrounding subcontracted work, drawing insights from the perspectives of various stakeholders.

JM and EV's statements shed light on a pervasive issue – subcontracted workers often grapple with limited awareness of their rights, exacerbated by the competitive environment imposed by Orange among subcontractors:

*“Employees in subcontracting companies have very limited knowledge of their rights. Orange imposes competition among subcontractors. For example, at Scopelec, most of these employees are unorganised. The employees don't know each other, and work assignments are given through smartphones and computers, making it difficult to organise among themselves. Overall, there are barriers between companies that work alongside each other. Employees do not seek dialogue.” JM*

*“A lot of externalised workers are self-employed” - EV*

This competition fosters a lack of solidarity among workers, hindering union formation. The prevalence of self-employment, piecework payment structures, and diverse functions under different collective conventions further complicate the landscape for subcontracted workers. The use of smartphones and computers for work assignments adds an additional layer of complexity, making it challenging for these workers to organise themselves:

“There are few or no unions, and most workers are self-employed and may not even know who they work for. They are often paid by piecework rather than hourly wages. Much of the work is technical, call centres, management functions, sales, legal, and commercial, and the commercial contact points

are also subcontracted. All these workers are under different collective conventions.” JM

The structural divide between directly employed staff and subcontracted workers is emphasised by the inability of Orange employees to negotiate for subcontractors.

*“An Orange employee cannot negotiate for a subcontractor.” JM EV*

*“The collective conventions are different for externalised workers” EV*

*“The Orange employees believe that subcontractors are taking their jobs.” EV*

The evolving nature of subcontracting, transitioning from providing expertise to externalising risks, suggests a strategic shift that may impact workers' rights adversely.

*“Subcontracting is intended to provide expertise they do not have – now it is used to externalise risks.” - RB*

RB's insights delve into internal divisions among subcontracted workers and within subcontracting companies. The case of Scopelec, a subcontractor for Orange, using subcontracting itself, introduces layers of complexity. Internal divisions, fuelled by individualism, conflicting approaches, and historical changes in solidarity dynamics, contribute to a challenging environment for collective action.

*“40 or 50 years ago, there was more solidarity amongst workers” – RB*

*“The ‘patronat’ fosters individualism and encourages synergies among themselves.” -RB*

*“SCOPELEC externalises to others.” -RB.*

These divisions are fuelled further by the fact that Scopelec was a cooperative, which led to the workers having a sense of entitlement over their Setelen counterparts:

*"Some members on the Scopelec's CSE of believe that they are the bosses of Setelen. Particularly because it is a cooperative." -RB*

The protests and support from unions like SUD and CGT for subcontracted workers, particularly during the termination of Scopelec's contracts, illustrate attempts to address challenges posed by subcontracting. Solidarity shown by Orange workers during these protests underscores the significance of collective action in navigating the complexities of subcontracted labour.

*"During the protests, the SUD and CGT unions of Orange supported these protests" RB*

*"Scopelec strikes were necessary to raise awareness among others at Orange." -*

*EV*

The mention of subcontractors not knowing under which collective convention they operate and the evolving nature of Scopelec's work further highlight the fluidity and challenges inherent in subcontracted labour. The changing nature of Scopelec's operations, moving from cable manufacturing to subcontracting, underscores the dynamic nature of these employment arrangements.

*"Some of Scopelec's workers are under the collective convention for metals because they used to manufacture their, cables they don't anymore." – RB*

In conclusion, the analysis of subcontracting at Orange illuminates a complex interplay of competitive pressures, technological influences, and shifting labour dynamics. The challenges faced by subcontracted workers underscore the necessity for a nuanced approach to collective bargaining that addresses the unique circumstances of this workforce segment.

Additionally, the lack of awareness of collective conventions among subcontracted workers and the evolving nature of their work call for a re-evaluation of the current framework to ensure that workers' rights are adequately protected in this dynamic landscape.

*“There is an absence of laws regarding subcontracting, the bosses basically do what they want”* RB RB attributes this to an *“unbridled liberalism”*

The acknowledgment of an absence of laws regarding subcontracting, allowing employers to operate with a considerable degree of autonomy, highlights a critical issue within the employment landscape.

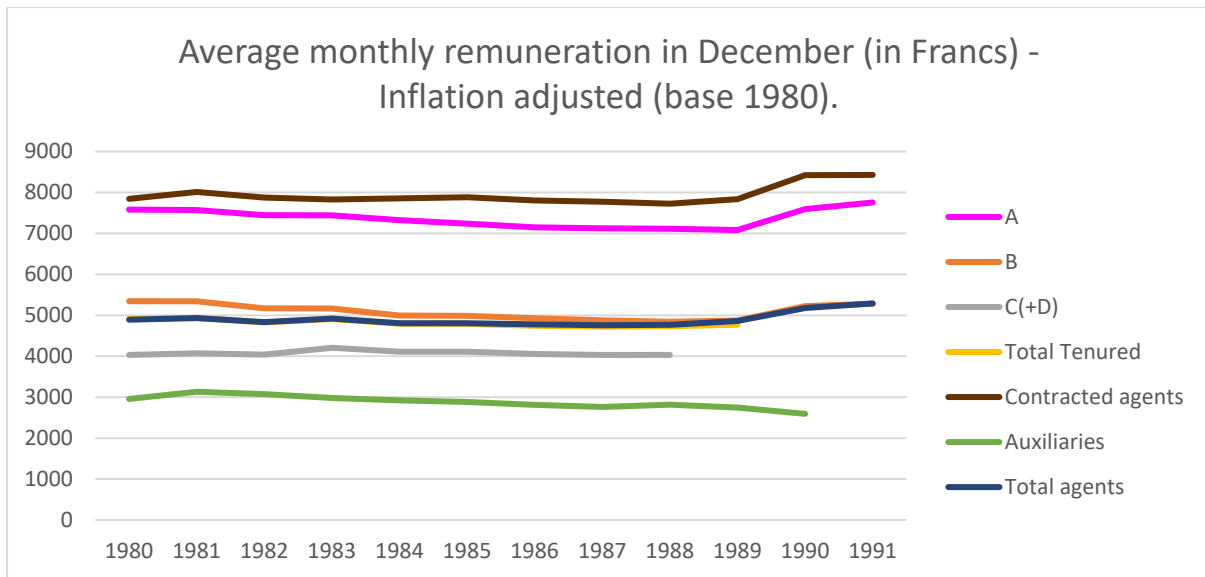
This absence of regulatory frameworks around subcontracting provides employers with the freedom to shape employment practices according to their interests, at the expense of workers' rights and job security. The term "unbridled liberalism" implies a lack of checks and balances, allowing employers to pursue strategies that prioritise profit over fair labour practices.

The observation by RB underscores a broader societal challenge where the absence of robust regulations contributes to a power imbalance between employers and workers.

#### 6.3.4.3 Wages

The examination of wage trends within the French labour market, particularly focusing on France Télécom, reveals a nuanced narrative of economic dynamics, disparities, and evolving bargaining landscapes. As elucidated in the preceding sections, the issue of wage stagnation has permeated various European countries, and France is no exception. This section delves into the intricacies of wage inequalities, within the context of France Télécom, shedding light on the implications for different categories of workers. The data presented, spanning from 1980 to 2018, unveils distinct patterns in salary differentials, managerial negotiations, and the broader impact on income inequality. This exploration aims to contribute to a comprehensive understanding of the multifaceted challenges surrounding wage dynamics in France, with implications extending beyond the realm of collective bargaining.

Figure 6.18: Average REAL monthly salary in December (including bonuses)



Source: Bilans Sociaux, Author's Calculations

The graph above, depicting the average real monthly salaries for France Télécom workers between 1980 and 1991 reveals noteworthy inequalities across different employment categories. Notably, there has been a slight increase in the salaries of Category A workers and contracted agents starting from 1989, while a marginal decrease is observed in auxiliaries' salaries during this period. The salaries of other worker categories remain relatively stable.

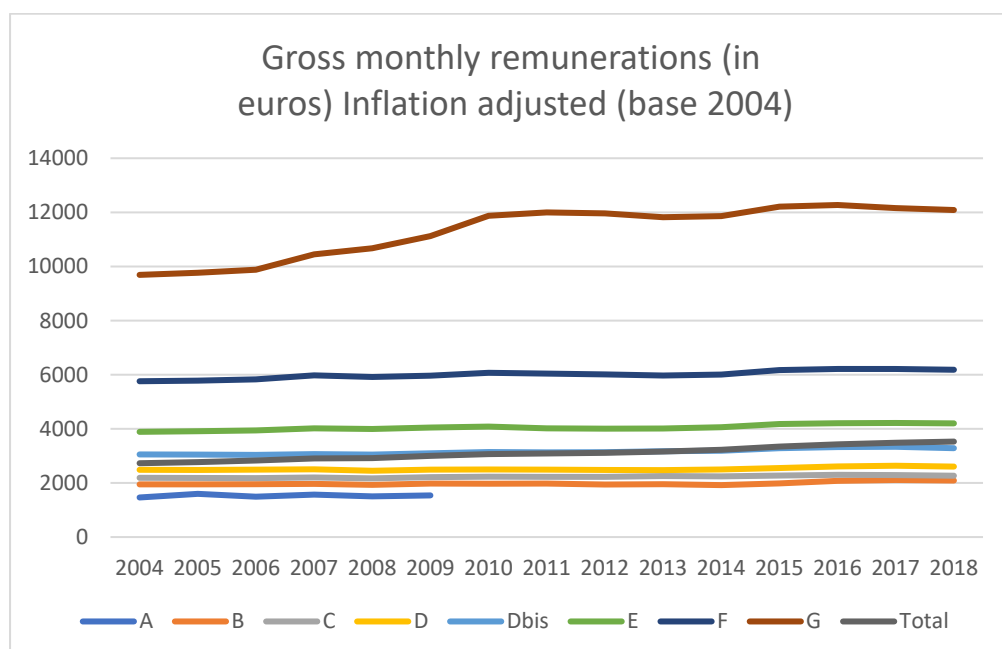
The disparities in salary can be discerned, with auxiliaries being the lowest-paid group and experiencing a slight decline in wages. Conversely, contractual agents and category A agents command the highest salaries. The wage differentiation within the public sector, particularly between auxiliaries and tenured civil servants, can be attributed to several factors. Auxiliaries often have shorter employment durations, limiting their negotiation opportunities for higher salaries. Their non-permanent status denies them the same benefits and protections as tenured civil servants, which may be reflected in their compensation. Additionally, the level of responsibility and autonomy granted to auxiliaries may be more restricted than for tenured civil servants, impacting their salary.

In the French public sector, "auxiliary of the public service" and "contractual agents" represent two categories of non-permanent personnel with nuanced differences in status and employment conditions. Auxiliaries are typically engaged for shorter periods, often to replace a civil servant on

leave or meet temporary personnel needs, with fixed-term contracts and limited social benefits. In contrast, contractual agents, often employed for indefinite periods, serve specific missions and are frequently experts in their fields, potentially explaining the observed higher wages. The short-term nature of the Auxiliaries' employment and fixed-term contracts limit their negotiating power within the collective bargaining framework. Additionally, the lack of job security and the absence of long-term benefits may contribute to a systemic disadvantage for these workers.

Furthermore, the graph showcases salary trends for category C, B, and A agents in the French public service. Category C agents hold intermediate responsibility positions, such as secretaries and administrative assistants. category B agents, intermediate-level employees, undertake administrative, technical, or support tasks with higher responsibilities and autonomy than Category C agents but less than managers and category A officials. category A agents, occupying top-tier positions, are high-ranking civil servants involved in directing, managing, and overseeing, enjoying favourable working conditions, substantial compensation, and statutory protections due to their elevated responsibility and professional expertise.

Figure 6.19: Gross monthly remunerations (in euros) Inflation adjusted (base 2004)



The presented graph depicts the gross real wages for France Télécom employees, revealing a pattern of stagnant salaries across all categories except for a notable increase in wages for category G workers. A significant wage gap is evident between the highest-paid category (G) and the second-highest paid category of workers (F).

It is crucial to acknowledge that changes in collective conventions and privatisation have redefined the workers categories, therefore the break with the data previously analysed. These new classifications, represented by Levels A, B, C, D, E, F, G, as determined by the Telecommunications' Collective Convention, introduce a further division among workers, potentially undermining class consciousness. The detailed breakdown of these levels is available in Appendix 3, briefly outlining Level A as involving manual work like cleaning, while Level G pertains to upper management. Across these levels, workers progressively necessitate more education and training, along with increased responsibilities.

A striking observation is the substantial gap between category G workers, typically managers, and the rest of the workforce. Category G stands out as the sole group experiencing a noticeable real wage increase, while all other categories are confronted with wage stagnation. This phenomenon suggests that, despite the apparent increase in collective bargaining coverage, this development does not uniformly translate into an enhancement of workers' material conditions. Instead, the tangible wage increase is primarily concentrated among high-level managers, accentuating the existing disparity within the wage structure at France Télécom. This also suggests that high-level managers may take advantage of negotiations to improve their already high wages.

The wage data in Figure 6.18 and Figure 6.19 demonstrate a rise in wage inequality from 1989 onwards. The disparities among worker categories and the vulnerability of lower-paid workers highlight ongoing challenges in achieving equitable wage outcomes through collective bargaining.

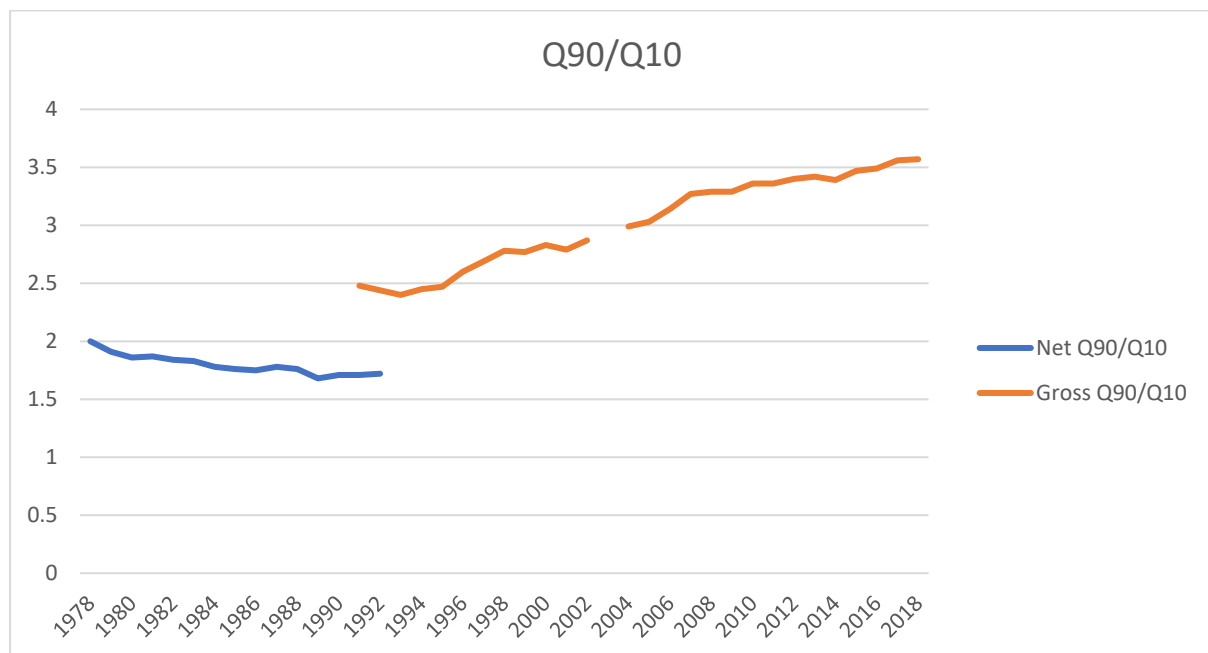


While salary is the primary topic addressed at the negotiation table, it is clear that managers, negotiating on behalf of capital, have benefitted from these negotiations rather than workers. The vulnerability of lower-paid workers, suggests that the current collective bargaining landscape may not be effectively addressing the needs of the most economically disadvantaged segments of the workforce.

#### 6.3.4.3.1 Pay Inequality – Q90/Q10 Ratio

The Q90/Q10 ratio, representing the wage disparity between the top 10% and bottom 10% of earners, serves as a crucial indicator of income inequality among workers. In 1993, a notable shift occurred as the ratio transitioned from being calculated based on net remuneration to gross remuneration, resulting in a sudden increase. The following analysis, drawn from ‘Bilans Sociaux’ data, explores the trajectory of this ratio from 1978 to 2018, providing insights into evolving income inequalities and potential shifts in bargaining dynamics.

Figure 6.20: Q90/Q10 Ratio



Source: Bilans Sociaux

From 1978 to 1992, the net ratio experienced a slight decrease, suggesting a relatively stable income distribution during that period. However, a pivotal change unfolded from 1995 onwards, as the gross ratio exhibited a consistent upward trend. This shift indicates a noteworthy surge in salary inequality, with the peak ratio of 3.57 reached in 2018. The data implies that, by 2018, the gross pay for the top 10% earners was 3.57 times greater than that of the bottom 10%, underscoring a growing income gap within the workforce.

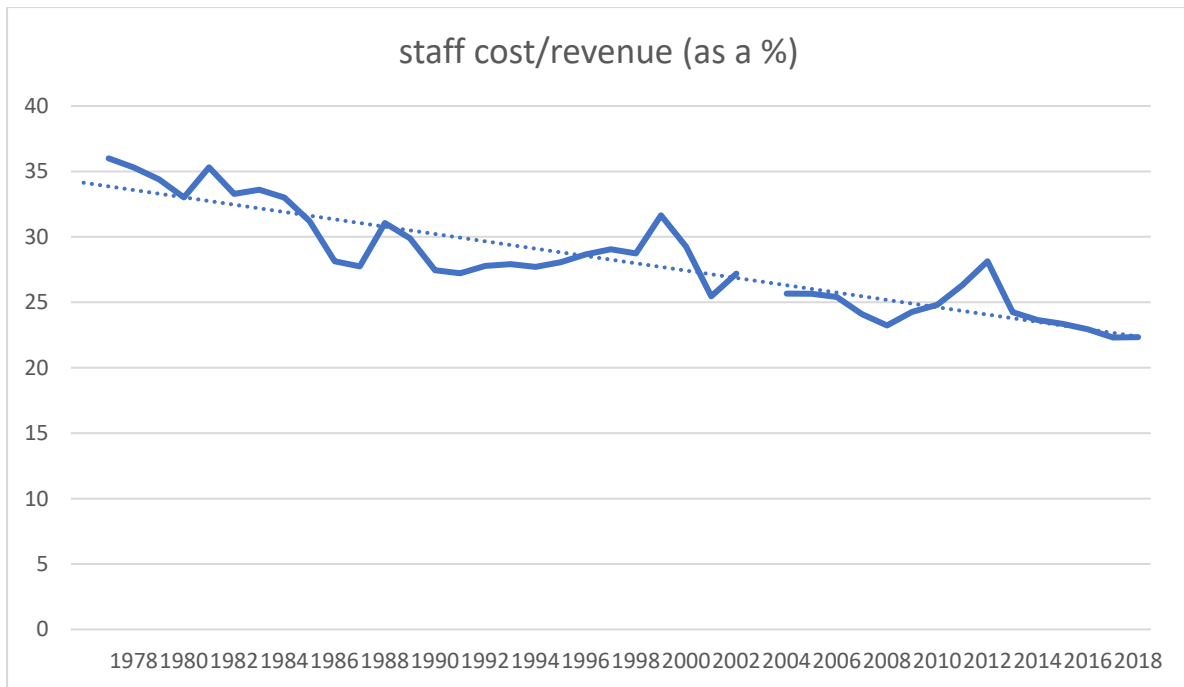
The alteration in metric calculation raises questions about its implications. It appears to introduce intentional complexity, potentially aimed at complicating over-time comparisons and evading regulatory scrutiny. This trend in data complexity echoes a broader observation across various datasets, indicating a deliberate effort to hinder comprehensive analysis. Indeed, as this is data that is primarily provided for trade unions to analyse and share with their workers, it raises questions on the intentionality of the shift in metrics.

While collective bargaining has increased, the enduring increase in the Q90/Q10 ratio, signals a concerning trajectory of expanding income disparities. This increase in the ratio is coherent with the unilateral decision-making, indicating a shift in bargaining dynamics, as the lowest paid workers are getting a lower share of their surplus value.

#### 6.3.4.3.2 staff cost/revenue

It is essential to contextualise the trends observed in the staff cost-to-revenue ratio over the studied period, considering external factors that may influence financial dynamics. The introduction of VAT in 1988 had a notable impact on revenue, leading to a reduction and explaining the sharp increase in the staff cost-to-revenue ratio from 1987 to 1988. Additionally, the ratio's decrease in 1991 can be attributed to the integration of international operations.

Figure 6.21: staff cost/revenue (as a %)



Source: Bilans Sociaux

Over the observed period, the staff cost-to-revenue ratio has exhibited a consistent decrease, implying a diminishing proportion of revenue allocated to staff costs. While an increase in collective bargaining coverage might be expected to correlate with improved pay and working conditions, the contrary trend in the ratio challenges this assumption. The observed decrease in the ratio suggests that staff costs, relative to revenue, have declined.

Examining this trend against the backdrop of a decreasing workforce and stagnating wages, a plausible hypothesis emerges: Orange may be augmenting its revenue through strategic wage restraint. This hypothesis aligns with broader macro-level wage restraint patterns. The decrease in the staff cost-to-revenue ratio reflects a shift in the distribution of surplus value, indicating that a larger share of the surplus value generated by the workforce is retained by the capitalist. This dynamic hints at the potential extraction of a greater proportion of surplus value for capital accumulation.

While wage restraint is certainly happening at macro level, it is important to consider other factors that may affect this indicator. For example, changes in the workforce composition or increased productivity.

In conclusion, the analysis of wage patterns at France Télécom exposes a complex interplay of factors shaping the economic landscape for workers. The disparities in salary distribution among different categories of employees, as evidenced by the real monthly salary data, underscore persistent challenges in achieving equitable outcomes through collective bargaining. The notable increase in the Q90/Q10 ratio from 1995 onwards further signals a concerning trajectory of widening income gaps, challenging the effectiveness of bargaining mechanisms in addressing the needs of the most economically vulnerable segments of the workforce.

Moreover, the examination of the staff cost-to-revenue ratio reveals a paradoxical trend. Despite the purported increase in collective bargaining coverage, the diminishing proportion of revenue allocated to staff costs suggests a nuanced dynamic where wage restraint may be strategically employed to augment capital accumulation. This shift in surplus value distribution raises questions about the broader macro-level wage dynamics and the potential implications for workers.

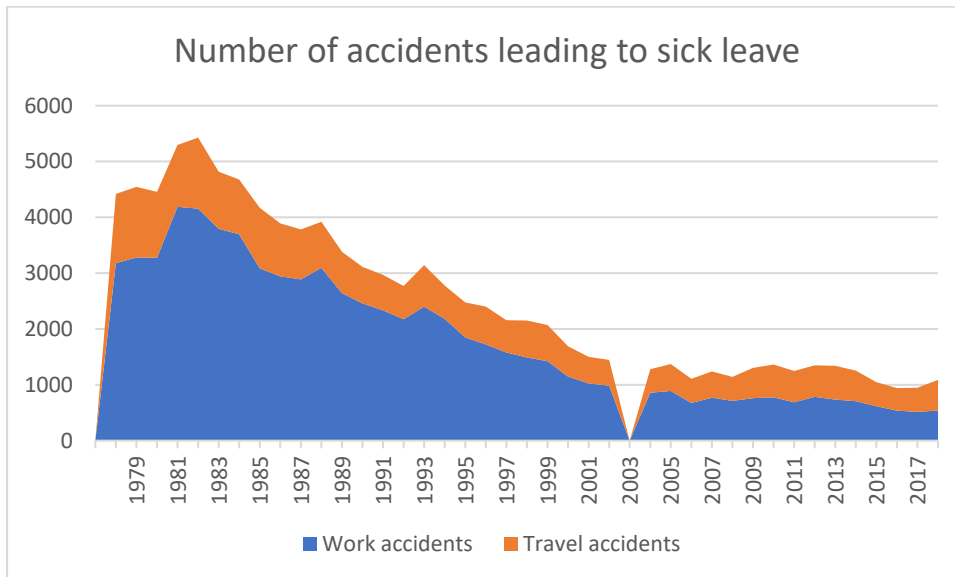
#### *6.3.4.4 Working Conditions*

##### *6.3.4.4.1 Health & Safety*

As previously noted in Figure 6.13, we observe an increase in the amount of meetings in terms of health and safety. However does this translate into improved health and safety at work.

#### 6.3.4.4.1.1 Number of accidents leading to sick leave

Figure 6.22: Number of accidents leading to sick leave

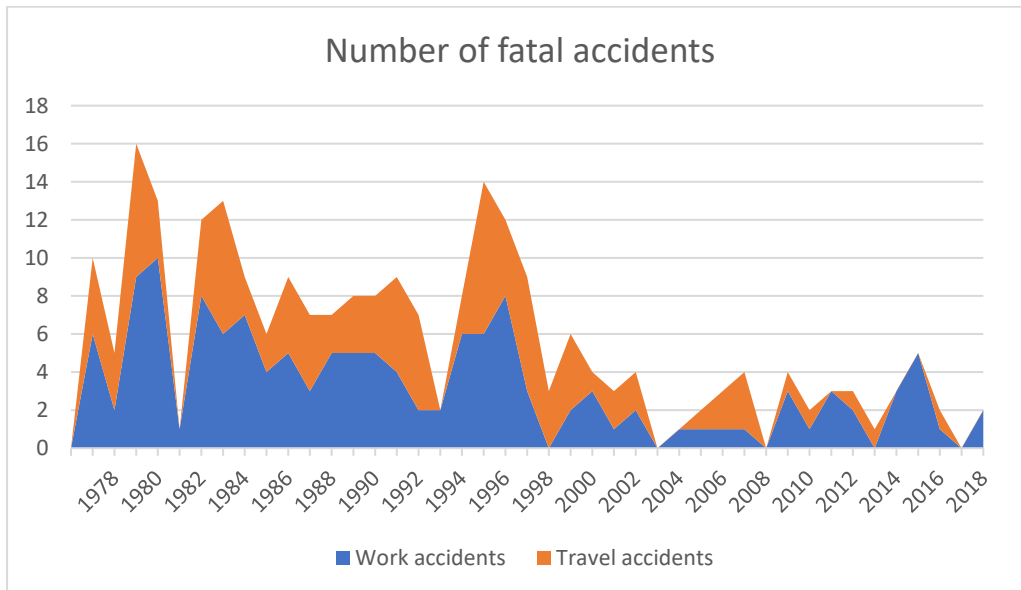


Source: Bilans Sociaux

The number of accidents leading to sick leave has been decreasing from 1977 until 2018. However, as noted above – the amount of workers that are more likely to be exposed to work accidents have gone down, partly due to the fact that manual work is externalised by Orange. A more meaningful dataset would be to have the results as a percentage of workers who need to travel regularly and are exposed to dangerous machinery and working conditions.

### 6.3.4.4.1.2 Number of fatal accidents

Figure 6.23: Number of fatal accidents



Source: Bilans Sociaux

We also note that the number of fatal accidents from 1977 until 2018 have been decreasing, as per above – this is related to the lowering of the jobs exposed to these risks. As RB puts it: *now subcontracting is used to externalise risks.* – RB. We can indeed infer from these results that risks have been externalised as there are less accidents at work.

### 6.3.4.4.1.3 Accidents at work: Frequency rate and severity rate

The frequency rate of accidents, is a metric used to quantify the number of work accidents in relation to the average monthly workforce and working hours.

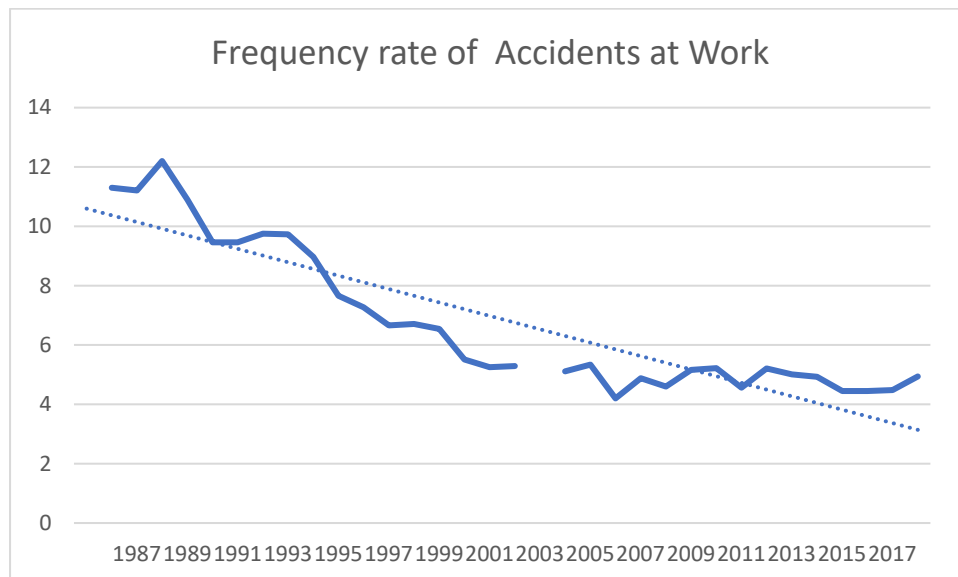
It is measured as per the formula below:

*Frequency Rate*

$$= \frac{\text{Number of work accidents x 1 million}}{\text{Average monthly workforce in full – time equivalent activity x number of working days (210) x 7.6 hours}}$$

Note that the frequency rate is computed in the 'Bilans Sociaux'.

Figure 6.24: Frequency rate of Accidents at Work



Source: Bilans Sociaux

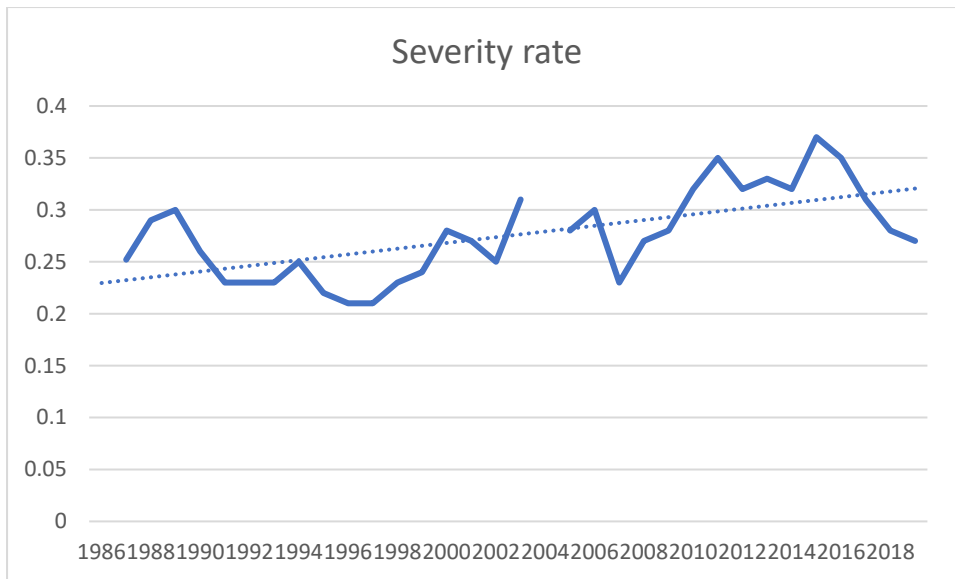
The frequency rate of accidents has been decreasing from 1987 until 2018. This means that accidents are less frequent – this could again be due to the increase in subcontracting.

A more meaningful metric is the severity rate. The severity rate is a metric designed to assess the severity of work accidents by measuring the number of days off due to these accidents relative to the average monthly workforce and working hours.

### Severity Rate

$$= \frac{\text{Number of days off for work accident} \times 1000}{\text{Average monthly workforce in full – time equivalent activity} \times \text{number of working days (210)} \times 7.6 \text{ hours}}$$

Figure 6.25: Severity rate



Source: Bilans Sociaux

We note that while the frequency rate is going down, the severity rate is going up. As highlighted above, the frequency rate is probably going down due to Orange employing less manual jobs and externalising these jobs. Meanwhile, the severity rate is going up, meaning that accidents are increasingly worse. If we compare this with the CHSCT meetings increasing, we get another insight into the so called negotiations not improving safety at work, and in this particular case, safety getting worse.

The apparent disconnect between the increasing number of CHSCT meetings and the worsening severity rate implies that safety negotiations may not be translating into tangible improvements on the ground. This challenges the effectiveness of the negotiation process in addressing and preventing accidents. It could indicate an imbalance of power between workers that are most likely to be affected by severe accidents and managers.

In addition, as subcontracting companies are not included in this data – the interviews give us further insights in the safety conditions for these:



*“Many things used to be negotiated, but now there are fewer safety negotiations.*

*Orange is not concerned about the working conditions of its subcontractors. The working conditions for manual workers have worsened.” JM*

This statement underscores a critical gap in the safety considerations for workers employed by subcontracting companies. This lack of attention to subcontractors' working conditions raises concerns about the overall commitment to comprehensive workplace safety. This further raises concerns about the way that collective bargaining works in France, as subcontractors cannot negotiate with their parent company.

JM notes that the working conditions for manual workers have worsened. This aligns with the observation of an increase in the severity rate despite a decrease in the frequency rate. It suggests that even though accidents may be occurring less frequently, when they do happen, the consequences are more severe, potentially indicating a decline in overall safety conditions.

The anecdotes provided by JM offer specific examples, such as issues with the workplace environment, accidents, and exposure to hazardous substances. These incidents highlight real and tangible challenges faced by workers, including concerns about allergies, poor working conditions, accidents involving scaffolding, and the presence of asbestos.

JM describes an incident involving a subcontracting company, specifically in scaffolding work (installing cables). The incident involves a scaffold collapse, and as a result, the workers were able to secure improvements in their working conditions and an increase in the workforce. This echoes what happened with the psychosocial situation during the suicide crisis. As it seems that something really dramatic has to happen for working conditions to improve. This further demonstrates ways in which collective bargaining is not to the advantage of workers. Workers have seen their conditions improve through tragic incidents or through conflict.

Beyond manual workers, JM also provides anecdotes of times where office workers had to take action due to health and safety hazards. JM describes a situation where employees observed allergies due to poor conditions in the premises, specifically mentioning a malfunctioning air conditioning system. The employees took action by blocking the service to compel necessary maintenance work. This resulted in personnel taking sick leave, undergoing medical examinations, and other related procedures for a period of two months.

#### *6.3.4.5 Working time Flexibility*

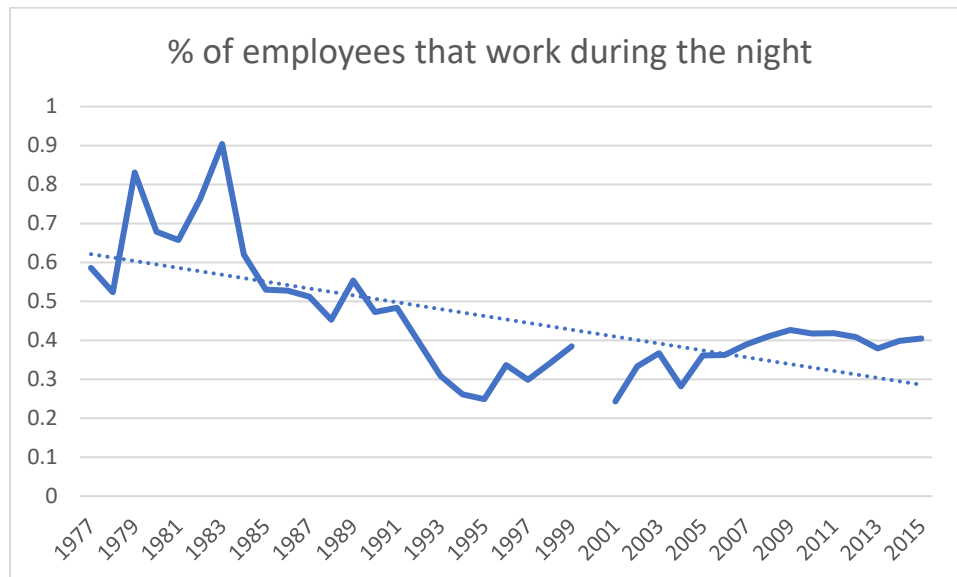
The dynamics of working time flexibility have undergone a significant evolution, influenced by legislative changes, policy implementations, and the increasing role of collective bargaining coverage. This evolution is evident in the two distinct aspects of working time explored in this analysis: night work and variable working hours. Night work, encompassing critical functions such as network supervision and customer support, has witnessed a shift in employee engagement during these hours, reflecting a broader trend of externalisation. Variable working hours, on the other hand, experienced a notable transformation from increased flexibility to a more standardised approach, particularly following the introduction of the Aurox laws in 1982 and the subsequent adoption of the 35-hour workweek. Importantly, the analysis identifies a crucial link between the decrease in variable working hours and the rise in collective bargaining coverage, indicating that negotiations between employers and employees have played a pivotal role in shaping the flexibility observed in working hours. This suggests a paradigm where working time flexibility is not solely dictated by legislative changes but is actively negotiated at the firm level through collective agreements.

##### *6.3.4.5.1 Working during the night*

Night work encompasses crucial activities such as network supervision, information system operation, and customer support. These functions are vital for maintaining the seamless operation of services,

ensuring the continuous functioning of networks, managing information systems, and providing essential support to customers outside regular working hours.

Figure 6.26: % of employees that work during the night



Source : Bilans Sociaux

There is a decrease in the % of employees that work during the night, as the jobs requiring night shifts are externalised.

#### 6.3.4.5.2 Variable working hours

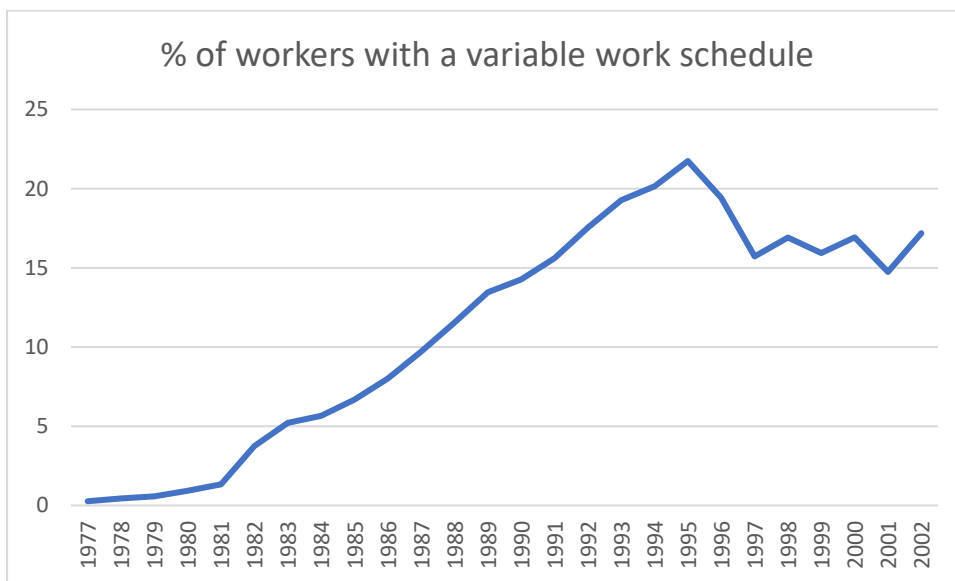
The period from the introduction of the Auroux laws in 1982 until the implementation of the 35-hour workweek in the late 1990s is marked by a substantial increase in variable working hours. The Auroux laws, designed to address labour relations and workers' rights, appear to have contributed to the initial surge in flexibility. The subsequent introduction of the 35-hour workweek represents a pivotal shift in labour policy. The standardised workweek policy is associated with a notable transformation in the structure of working hours.

In 1997, there is a discernible shift in the trend, characterised by a steady decrease in the number of individuals with variable working hours. This suggests a move away from the previous emphasis on

flexible working hours towards a more standardised and individually negotiated approach. The shift towards individually agreed working schedules in 1997 reflects an adjustment to the changing policy landscape, indicating a desire to align working hours more closely with the specific needs of the employer.

The notable highlight is the association between the decrease in variable working hours and the increase in collective bargaining coverage. This suggests that the flexibility observed in working hours is, in part, a result of collective bargaining agreements. The negotiations between employers and employee representatives likely played a significant role in shaping working conditions and schedules. This suggests that working time flexibility has been negotiated at the firm.

Figure 6.27: % of workers with a variable work schedule



Source : Bilans Sociaux

EV's testimony highlights several critical aspects of the current labour market, shedding light on practices such as increased flexibility, overtime demands, temporary contracts (CDD), temporary workers (interimaires), and the impact of these dynamics on competition among workers.

The request for technicians to work on Saturdays, even if they are not working during the week, reflects an extension of working hours. This can have implications for the work-life balance, raising concerns about the quality of life for workers.

*“Presently, technicians are required to work on Saturdays, even if they are not scheduled to work during the regular weekdays. Additionally, individuals are being asked to work overtime. The utilization of temporary contracts (CDD) and temporary workers (interimaires) contributes to an enhancement of flexibility through various employment statuses.” -EV*

The call for overtime, especially for workers on fixed-term contracts and temporary workers, suggests increased pressure for extended working hours. Contractual flexibility, while often seen as a way to adjust the workforce to fluctuating needs, can also lead to precarious working conditions for some workers.

*“Temporary workers work whenever their employer wants them to” EV*

The differentiation between the schedules of temporary workers, determined by employers, and those of permanent employees or civil servants, who have established schedules, highlights disparities in working conditions based on employment status. This can contribute to a divisive dynamic within the workforce.

EV highlights the increased flexibility due to outsourcing, with working hours extending from 7 am to 7 pm, underscores changes in the very nature of work. This approach can have implications for job stability, workplace safety, and the quality of professional relationships.

The competition among workers, exacerbated by these flexibility practices, can create a competitive and precarious work environment. Workers may feel compelled to adhere to more demanding working conditions to maintain their jobs, creating tension in the professional setting.

*"This work method puts workers in competition." - EV*

EV's testimony provides a significant insight into the current realities of the labour market, highlighting challenges workers face in terms of working conditions and flexibility.

In conclusion, the exploration of night work and variable working hours provides a nuanced understanding of the evolving landscape of working time flexibility. The transition from extensive flexibility to a more negotiated and standardised approach highlights the adaptability of the workforce to changing policies and organisational needs. Particularly striking is the correlation between the decline in variable working hours and the increase in collective bargaining coverage, underlining the influential role of negotiations in shaping working conditions. EV's testimony further emphasises the contemporary challenges faced by workers, such as increased competition and precarious conditions, shedding light on increased flexibility and workers well-being.

#### 6.4 Conclusion

This chapter sought to demonstrate that an increase in collective bargaining coverage and concurrent low union density constitutes a flexibilisation policy. Drawing on the Bilans Sociaux and the interviews conducted, I have shown that at Orange, strikes and conflictuality have gone down, less union training but more collective bargaining. Unions are divided amongst themselves; CGT is losing influence. Contracts are individualised, there's so many collective conventions and it's confusing for workers. So many meetings, still severity rate is getting worse. Negotiation is shifting towards consultation so that the boss can implement flexibility at the 'negotiation' table. So many collective agreements are being signed, as collective bargaining is expanding, the fact that the CGT signs very few of them shows that the agreements aren't good for workers. Now, power is concentrated in the hands of management.

We can see this with the workers material conditions, with decreasing/stagnating wages, the sufferings of external workers.

This chapter, unravelling the dynamics at FT, showcased that the expansion of collective bargaining, coupled with diminished union density and internal union divisions, contributes substantively to the overarching flexibilisation trend.

Within the chapter's narrative, the empirical evidence unfolds, revealing a multifaceted transformation in the industrial landscape. The stagnation in union training initiatives, even as collective bargaining gains dominance. The internal schisms among unions, particularly the diminishing influence of CGT, signify a divided front, weakening the collective bargaining position of workers.

A noteworthy shift is observed in the individualisation of contracts, accompanied by a proliferation of collective conventions, rendering the contractual landscape confusing for the workforce. Despite the proliferation of meetings on health and safety, the severity rate continues to worsen. The negotiation process has metamorphosed into a mode of consultation, wherein flexibility is tacitly implemented by management during allegedly collaborative discussions.

The chapter further highlights the paradoxical scenario wherein numerous collective agreements are signed, ostensibly indicative of expanding collective bargaining, yet the minimal signing of CGT suggests a lack of worker-centric outcomes. Concentration of power in the hands of management, a shift poignantly reflected in the tangible material conditions of workers. Wages either decrease or stagnate, while the subcontracted workers becomes emblematic of the systemic erosion of worker agency.

In sum, the chapter's narrative underscores a disconcerting trajectory: a workforce divided, yielding increased profits for Orange at the expense of diminished worker power, ultimately culminating in the exacerbation of adverse material conditions for the labour force.





## 7 Conclusions

This research embarked on a journey to explore Flexibilisation Policies from a Marxist Political Economy Perspective. The study was driven by the aim to demonstrate that the specific coupling of high collective bargaining coverage and low union density constitutes a flexibilisation policy in the French context. Throughout this exploration, several key findings emerged that not only deepen our understanding of flexibilisation policies but also challenge existing notions in the field.

This thesis presents a critical re-evaluation of labour market flexibilisation, particularly in the context of France, challenging traditional views that associate flexibilisation solely with positive economic outcomes like reduced unemployment and growth. Instead, it posits that flexibilisation policies significantly influence class relations and the dynamics of capital accumulation, often at the expense of workers, especially those in precarious and marginalised positions. Through a detailed examination of France's journey since the 1980s, including legislative changes, union dynamics, and the nature of work, this thesis uncovers a complex picture. It reveals a labour market increasingly characterised by individualised contracts, weakened union influence, and a shift in power towards management, leading to a fragmented workforce and deteriorating working conditions. The comprehensive analysis, incorporating macro-level data and case studies like France Télécom, demonstrates how these flexibilisation policies, while expanding collective bargaining, fail to necessarily benefit workers, signalling a worrying trend of intensified capitalist exploitation and alienation of labour.

### 7.1 Overall Findings

First, this thesis challenges traditional perspectives on labour market flexibilisation, advocating for a more profound exploration of its role in shaping class relations and its influence on the patterns of accumulation, distribution, and reproduction within labour markets. There is a significant divergence between the theoretical benefits predicted by flexibilisation and the actual results seen in practical

settings. This research proposes that a primary motivation for these policies is to bolster capital accumulation. This goal has a substantial impact on class dynamics, often favouring specific capitalist factions while negatively affecting others, particularly precarious and marginalised workers. The case of France is utilised in this thesis to demonstrate the way flexibilisation policies alter class relations, underscoring their role in the broader framework of class conflict.

This thesis diverges from the conventional belief that flexibilisation invariably leads to positive economic outcomes such as reduced unemployment and growth. Instead, it offers a more nuanced and critical viewpoint, stressing the necessity to comprehend these policies within the broader spectrum of class struggle and the dynamics of capital accumulation.

This thesis then offers a detailed account of France's distinct journey through the development of flexibilisation policies, focusing on collective bargaining, and the dynamics of trade unions. It examines key legislative changes, the varying influence of unions, and the ongoing dialogue between capital and labour. This exploration highlights how historical events, political ideology, and economic needs have sculpted the unique trajectory of the French labour market. Flexibilisation policies in France have been tailored to acknowledge the robustness of the French labour movement and its history of societal unrest.

The thesis delves into a central paradox in France: the coexistence of high rates of collective bargaining coverage with low union membership. The Auroux Laws of 1982, the Aubry Laws, and subsequent reforms are marked by shifts towards decentralisation and increased flexibility in labour markets. While these changes align with economic transitions, they also signal a gradual erosion of traditional labour protections and an escalation of capital's sway in collective agreements.

These legislative alterations have led to more localised collective bargaining, often favouring employers, and have presented challenges for unions in representing an increasingly diverse and

fragmented workforce. Unions have been compelled to strategically adapt to diminishing traditional power and the emergence of individualised labour relations. This adaptation involves manoeuvring through a landscape where their influence is more frequently challenged and traditional methods of operation are becoming less effective.

Furthermore, the impact of non-union representatives, the prevalence of neoliberal policies, and the evolution of workplace negotiation dynamics highlight the intricate nature of current labour relations in France.

This thesis additionally examines macro-level data in France. The changes in the French labour market since the 1980s, especially in the nature of work and working conditions, have deeply impacted the workforce, notably through an increased physical strain on employees. Through the lens of Marxist Political Economy, these shifts are interpreted not merely as economic variations but as indicators of more profound labour-capital dynamics. A thorough analysis of the data highlights a concerning trend of escalating physical demands imposed on French workers. Particularly, manual workers have reported a growing number of unfavourable working and hygiene conditions. On the other hand, those in higher intellectual professions experience significantly less physical strain, revealing a marked contrast in working conditions across various occupational levels. The rise in agreements concerning working conditions, ironically accompanied by a deterioration in the actual working environments, points to a mismatch between policy and reality. Such agreements could be utilised by employers to advance their interests, potentially misaligning with the welfare of workers and diminishing the collective voice of the workforce, particularly manual labourers.

These trends indicate an intensification of capitalist exploitation that commodify labour and alienate labour. The increased physical strain on workers, especially in manual roles, mirrors a labour market that is prioritising capital gains over the health and safety of the labour force.

Finally, the case study on France Télécom demonstrates how increased collective bargaining coverage coupled with low union density reflects a flexibilisation policy. Using the digitised Bilans Sociaux of France Télécom from 1979 to 2006 and interviews, it highlights a decline in strikes, conflict, and union training, but an increase in collective bargaining. The digitisation of the bilans sociaux marks an important contribution to the field as it enhances the breadth of information available but also adds to the pool of data available for future research on France Télécom.

The exploration of France Télécom reveals internal divisions within unions, notably the weakening influence of CGT, and a trend towards individualised contracts amid numerous collective conventions, creating confusion for workers. Despite more meetings, issues like worsening severity rates in health and safety persist. The shift from negotiation to consultation has allowed management to unitarily implement flexibility measures, often to the detriment of workers.

Numerous collective agreements, with limited involvement from CGT, indicate these may not be favourable for workers, reflecting a shift in power towards management. This is evident in the deteriorating material conditions of workers, such as stagnant or decreasing wages and hardships faced by external workers. The analysis uncovers the complex dynamics at France Télécom, showing that the expansion of collective bargaining, declining union density, and internal union conflicts are central tools of flexibilisation. All in all, we observe a fragmented workforce, diminished worker power, and worsening material conditions, benefiting the company at the workers' expense.

## 7.2 Theoretical Contributions

The research framework used in this study is rooted in a Marxist class relational perspective, which has been instrumental in delving into the subtle intricacies of flexibilisation policies. This thesis makes a significant contribution by applying a class relational lens to examine these policies. Due to the

absence of a universally accepted definition, employing Marxist class analysis enables the development of a comprehensive definition of flexibilisation. Specifically, it views labour market flexibilisation as an element in the transformation of social production relations post-1970s, facilitating increased exploitation rates in many capitalist countries. Flexibilisation policies are thus seen as part of state-supported strategies enabling capitalist classes to extract greater surplus value from workers and enhance capital accumulation.

Flexibilisation in the labour market represents a tangible manifestation of capitalist class conflict aimed at (re)producing an exploitable labour force. These policies mark a significant evolution in labour market strategies, emerging from neoliberal drives and as a response to the profitability crisis of the 1970s in capitalist economies. Through this theoretical lens, the ongoing struggle between capital and labour is highlighted, demonstrating how flexibilisation policies are tactically employed by capital to reinforce its status quo.

Grounded in Marxist thought and enriched by insights from various scholars, this analysis offers an in-depth understanding of class dynamics in France. Drawing from Lukes' concept of power, the theory explores the complex nature of power within class relations, going beyond mere domination to include intricate aspects of influence and control among different capitalist system players. The contributions of Lévesque and Murray shed light on the critical role of trade unions in empowering workers, detailing the essential resources and capabilities unions provide in influencing class relations and promoting workers' interests. Additionally, using Silver's perspective, the theory investigates the evolution of bargaining power in global capitalism, addressing the challenges and opportunities for workers striving for better conditions and rights.

In summary, flexibilisation policies are viewed as a mechanism that transfers power from labour to capital. This transfer enables capital to exert more control over labour conditions, and implies the fragmentation of the working class and increasing intra-class disparities.

### 7.3 Limitations and Avenues for Future Research

This research, while comprehensive, is subject to certain limitations that open up several avenues for future investigation. One of the primary constraints is the need for more expansive data. Access to a dataset like REPOSE would be particularly beneficial as it would enable a comparison between the perspectives of managers and employees, offering a more complete view of the labour dynamics at play. Such data could uncover nuanced insights into how different groups within a firm perceive and are affected by flexibilisation policies.

Additionally, the viewpoints of various unions other than the CGT's could provide a more diversified understanding of the labour landscape. Considering the perspectives of multiple unions would help in understanding a broader range of strategies and responses to flexibilisation policies.

The inclusion of managers' perspectives is also crucial. Their insights could offer a more balanced view of the decision-making processes behind these policies, revealing the rationale behind certain strategies and their intended versus actual outcomes. This aspect could also shed light on the dynamics of power and negotiation within organisations.

Moreover, this research should extend its scope to include more recent developments in the French labour market, especially since the implementation of the 2016 El Khomri Laws and the Macron ordinances. These legislative changes have significant implications for the labour market, and studying their impact would provide a contemporary understanding of the evolving work environment in France.

Further research is essential to deepen the exploration of the patterns and conclusions presented in this thesis. It is also important to contextualise the French experience within a broader international framework. A comparative study with countries like Germany and Italy, for example, could yield valuable insights given their unique labour market structures and policies. However, language barriers posed a challenge in this research, limiting the scope of comparative analysis. Overcoming these linguistic limitations in future research could facilitate a more comprehensive understanding of how

different national contexts influence labour market dynamics and the implementation and effects of flexibilisation policies.

In conclusion, while this thesis lays a foundational understanding of labour market flexibilisation in France, further research is needed to expand this knowledge, incorporating broader data sources, multiple perspectives, and international comparisons to paint a more complete picture of the global labour landscape.

## 8 Bibliography

- Amable, B., 2016. The Political Economy of the Neoliberal Transformation of French Industrial Relations. *ILR Review* 69, 523–550. <https://doi.org/10.1177/0019793916630714>
- Andolfatto, D., Labbé, D., 2006. La transformation des syndicats français: Vers un nouveau « modèle social » ? *Revue française de science politique* 56, 281. <https://doi.org/10.3917/rfsp.562.0281>
- Askenazy, P., Bloch-London, C., Roger, M., 2004. La réduction du temps de travail 1997-2003 : dynamique de construction des lois « Aubry » et premières évaluations. *Economie et Statistique* 376, 153–171. <https://doi.org/10.3406/estat.2004.7587>
- Atkinson, J., 1985. Flexibility, Uncertainty, and Manpower Management (No. 89). The Institute for Employment Studies.
- Atkinson, J., Meager, N., 1986. Changing Working Patterns: How Companies Achieve Flexibility to Meet New Needs. National Economic Development Office.
- Auroux, J., 1981. Les droits des travailleurs- Rapport au président de la République et au Premier Ministre [WWW Document]. URL <https://www.vie-publique.fr/rapport/271626-les-droits-des-travailleurs-rapport-auroux-1981> (accessed 10.1.20).
- Avdagic, S., 2015. Does Deregulation Work? Reassessing the Unemployment Effects of Employment Protection. *British Journal of Industrial Relations* 53, 6–26. <https://doi.org/10.1111/bjir.12086>
- Baccaro, L., Howell, C., 2011. A Common Neoliberal Trajectory: The Transformation of Industrial Relations in Advanced Capitalism. *Politics & Society* 39, 521–563. <https://doi.org/10.1177/0032329211420082>
- Baccaro, L., Rei, D.V., 2005. Institutional Determinants of Unemployment in OECD Countries: A Time Series Cross-Section Analysis (1960-98).
- Bachrach, P., Baratz, M.S., 1962. Two Faces of Power. *The American Political Science Review* 56, 947–952. <https://doi.org/10.2307/1952796>
- Baker, D., Glyn, A., Howell, D., Schmitt, J., 2002. Comments are welcome Labor Market Institutions and Unemployment: A Critical Assessment of the Cross-Country Evidence.
- Barbieri, P., Scherer, S., 2009. Labour Market Flexibilization and its Consequences in Italy. *European Sociological Review* 25, 677–692. <https://doi.org/10.1093/esr/jcp009>
- Bardone, L., Empl, D., Guio, A.-C., 2005. Population and living conditions 12.
- Bassanini, A., Duval, R., 2006. Employment Patterns in OECD Countries. <https://doi.org/10.1787/702031136412>
- Bassanini, A., Ernst, E., 2002. Labour Market Institutions, Product Market Regulation, and Innovation: Cross-Country Evidence 39.
- Bensaid, D., 2009. Marx for Our Times: Adventures and Misadventures of a Critique. Translated by Gegory Elliott. Verso.
- Béthoux, É., Mias, A., 2019. How does State-led decentralization affect workplace employment relations? The French case in a comparative perspective. *European Journal of Industrial Relations* 0959680119852268. <https://doi.org/10.1177/0959680119852268>
- Béthoux, É., Mias, A., 2014. Les régulations de la relation d’emploi à l’épreuve de la crise. École normale supérieure de Cachan.
- Bewley, T.F., 1995. A Depressed Labor Market as Explained by Participants. *The American Economic Review* 85, 250–254.
- Bilan Social des Télécommunications, Exercice 1997, 1998.
- Bilan Social, exercice 1979, 1980.
- Blanchard, O., 1999. European unemployment: the role of shocks and institutions, Baffi Lecture. Rome.
- Blanchard, O., Wolfers, J., 2000. The role of shocks and insitutions in the rise of European unemployment: the aggregate evidence. *The Economic Journal* 1–33.
- Calderon, C., Chong, A., 2009. Labor market institutions and income inequality: an empirical exploration. *Public Choice* 138, 65–81.



- Campling, L., Miyamura, S., Pattenden, J., Selwyn, B., 2016. Class dynamics of development: a methodological note. *Third World Quarterly* 37, 1745–1767. <https://doi.org/10.1080/01436597.2016.1200440>
- Capdevielle, J., Dupoirier, É., Grunberg, G., Schweisguth, É., Ysmal, C., 1998. France de gauche. Vote à droite ?, Références. Presses de Sciences Po, Paris.
- Carlier, A., Naboulet, A., 2007. NÉGOCIATIONS COLLECTIVES ET GRÈVES DANS LE SECTEUR MARCHAND : en 2005, la moitié des entreprises d’au moins 50 salariés a négocié.
- CFE-CGC, 2019. le Bulletin Confédéral 70.
- CFTC, 2020. L’équipe dirigeante [WWW Document]. Syndicat CFTC, La vie à défendre. URL <https://www.cftc.fr/nous-connaître/lequipe-dirigeante> (accessed 7.15.20).
- CGT, 2000a. Communiqué 22 mai 2000.
- CGT, 2000b. La Négociation s’est terminée Beaucoup d’attentes demeurent.
- CGT, 1999a. Garanties Individuelles et collectives du salarié(e) des Télécommunications INFORMATIONS N° 2 -JANVIER 1999: Une Convention Collective construite avec les salariés ou qui leur est imposée?
- CGT, 1999b. 35 h dans la branche des télécommunications le patronat veut imposer l’annualisation et ne propose aucune mesure pour créer des emplois La CGT émet un avis défavorable.
- CGT, 1999c. Communiqué 19 Avril 1999.
- CGT, 1999d. Déclaration CGT à la commission mixte du 6 mai 1999 sur le « projet d’accord sur la réduction et l’aménagement du temps de travail ».
- CGT, 1998. Déclaration de la CGT: Monsieur Seilliere ne détournera pas les salariés de leurs exigences de créations d’emplois et de progres social.
- CGT, 1992. Convention collective la CGT et le personnel ne seront pas exclus de la négociation salariale.
- CGT, 1991. Séance de signature de la Convention Collective. Déclaration de la CGT.
- Charpier, F., 2008. La CIA en France : 60 ans d’ingérence dans les affaires françaises, Seuil. ed.
- Checchi, D., Garcia-Penalosa, C., 2008. Labour market institutions and income inequality. *Economic Policy* 56, 601–649.
- Chronologie : les relations du travail depuis la loi Le Chapelier -1791 | vie-publique.fr [WWW Document], 2020. URL <http://www.vie-publique.fr/eclairage/268879-chronologie-les-relations-du-travail-depuis-la-loi-le-chapelier-1791> (accessed 11.4.23).
- Colson, A., Elgoibar, P., Marchi, F., 2015. Employee Representatives in France: Employers’ Perceptions and Expectations Towards Improved Industrial Relations, in: Euwema, M., Munduate, L., Elgoibar, P., Pender, E., Belén García, A. (Eds.), *Promoting Social Dialogue in European Organizations: Human Resources Management and Constructive Conflict Management, Industrial Relations & Conflict Management*. Springer International Publishing, Cham, pp. 67–78. [https://doi.org/10.1007/978-3-319-08605-7\\_5](https://doi.org/10.1007/978-3-319-08605-7_5)
- Connolly, H., 2012. Union renewal in France and Hyman’s universal dualism: Capital & Class. <https://doi.org/10.1177/0309816811431151>
- DARES, 2019. Les journées individuelles non travaillées (JINT) - Ministère du Travail [WWW Document]. Ministère du Travail, de l’Emploi et de l’Insertion. URL <https://dares.travail-emploi.gouv.fr/dares-etudes-et-statistiques/statistiques-de-a-a-z/article/les-journees-individuelles-non-travaillees-jint> (accessed 7.20.20).
- DARES, 2017. Les données sur les établissements dotés d’instances représentatives du personnel, ou couverts par ces instances, qu’elles soient ou non présentes dans les établissements interrogés, selon leur taille et le secteur d’activité.
- DARES, 2007. Présence Syndicale: des implantations en croissance, une confiance des salariés qui ne débouche pas sur des adhésions.
- Davis, A., 2016. Online petition against French labour reform hits million-signature record. France 24.
- Denord, F., 2007. Néo-libéralisme version française : Histoire d’une idéologie politique. DEMOPOLIS, Paris.

- DiPrete, T.A., Goux, D., Maurin, E., Quesnel-Vallee, A., 2006. Work and pay in flexible and regulated labor markets: A generalized perspective on institutional evolution and inequality trends in Europe and the U.S. *Research in Social Stratification and Mobility* 24, 311–332. <https://doi.org/10.1016/j.rssm.2006.04.001>
- Doellgast, V., Bellego, M., Pannini, E., 2021. After the social crisis: the transformation of employment relations at France Télécom. *Socio-Economic Review* 19, 1127–1147. <https://doi.org/10.1093/ser/mwaa006>
- Doeringer, P.B., Piore, M.J., 1970. *Internal Labor Markets and Manpower Analysis*. ERIC.
- Dosi, G., Pereira, M.C., Roventini, A., Virgillito, M.E., 2016. The Effects of Labour Market Reforms upon Unemployment and Income Inequalities: an Agent Based Model. *ISI Growth Working Paper* 34.
- Dufour, C., Hege, A., 2006. La représentation collective, pour quoi faire ? *Sociétal* 53.
- Féron, A., 2015. Jean-Paul Sartre nous permet-il de penser les mouvements sociaux aujourd'hui ? [WWW Document]. *L'Humanité*. URL <https://www.humanite.fr/jean-paul-sartre-nous-permet-il-de-penser-les-mouvements-sociaux-aujourd'hui-573446> (accessed 5.3.21).
- Fine, B., 1998. *Labour Market Theory: A Constructive Reassessment*. Taylor & Francis.
- Flipo, F., 2015. Jean-Paul Sartre nous permet-il de penser les mouvements sociaux aujourd'hui ? [WWW Document]. *L'Humanité*. URL <https://www.humanite.fr/jean-paul-sartre-nous-permet-il-de-penser-les-mouvements-sociaux-aujourd'hui-573446> (accessed 5.3.21).
- France Telecom, *Bilan Social 1991, 1992*.
- Freyssinet, J., 2005. Quels acteurs et quels niveaux pertinents de représentation dans un système productif en restructuration ? *La Revue de l'Ires* 47. <https://doi.org/10.3917/rdli.047.0319>
- Gebel, M., Giesecke, J., 2011. Labor Market Flexibility and Inequality: The Changing Skill-Based Temporary Employment and Unemployment Risks in Europe. *Social Forces* 90, 17–39.
- Giraud, B., 2015. Négociateur sous contrainte : les modalités d'appropriation du rôle de « partenaire social » par les représentants de la CGT. *Hors-thème* 70, 306.
- Goyer, M., Hancké, B., 2004. Labour in French Corporate Governance: The Missing Link, in: *Corporate Governance and Labour Management: An International Comparison*. Oxford University Press.
- Groux, G., 2012. La notion de « multitude » dans les relations professionnelles. Une notion heuristique mais insaisissable ? *Négociations* 17, 51–62. <https://doi.org/10.3917/neg.017.0051>
- Gumbrell-McCormick, R., Hyman, R., 2013. *Trade Unions in Western Europe: Hard Times, Hard Choices, Trade Unions in Western Europe*. Oxford University Press.
- Hardy, M., 2021. Qu'est-ce qu'un cadre ? [WWW Document]. *Cadremploi*. URL <https://www.cadremploi.fr/editorial/conseils/droit-du-travail/quest-ce-quun-cadre> (accessed 2.1.23).
- Hayek, F., 1973. *Law, Legislation, and Liberty*. University of Chicago Press, Chicago.
- Howell, C., 2009. The Transformation of French Industrial Relations: Labor Representation and the State in a Post-Dirigiste Era. *Politics & Society* 37, 229–256. <https://doi.org/10.1177/00323292093333993>
- Howell, C., 1992. *Regulating Labor: The State and Industrial Relations Reform in Postwar France*. Princeton University Press. <https://doi.org/10.2307/j.ctt7s862>
- Howell, D.R., Baker, D., Glyn, A., Schmitt, J., 2007. Are Protective Labor Market Institutions at the Root of Unemployment? A Critical Review of the Evidence. *Capitalism and Society* 2. <https://doi.org/10.2202/1932-0213.1022>
- Jenkins, A., 2002. *Employment Relations in France, ClaroRead Chrome: Evolution and Innovation, Springer Studies in Work and Industry*. Springer US. <https://doi.org/10.1007/b107714>
- Join-Lambert, O., Lallement, M., Hatzfeld, N., Ray, J.-E., Sommier, I., Offerlé, M., Pélisse, J., 2011. Au-delà du conflit et de la négociation ? *Sociologie du travail* 53, 160–193. <https://doi.org/10.4000/sdt.7656>
- Kleinknecht, A., 1998. Is labour market flexibility harmful to innovation? *Cambridge Journal of Economics* 22, 387–396.

- Koeniger, W., Leonardi, M., Nunziata, L., 2007. Labor Market Institutions and Wage Inequality. *ILR Review* 60, 340–356. <https://doi.org/10.1177/001979390706000302>
- La Croix, 2020. La CGT et la CFDT enregistrent une hausse d'adhérents pour l'année 2019. La Croix.
- Labbé, D., 1995. La syndicalisation en France depuis 1945.
- La-Croix.com, 2017. L'accord d'entreprise, pilier de la réforme du travail [WWW Document]. La Croix. URL <http://web.archive.org/web/20170610061030/http://www.la-croix.com/Economie/France/Laccord-dentreprise-pilier-reforme-travail-2017-06-06-1200852745> (accessed 11.18.23).
- Lange, P., Ross, G., Vannicelli, M., 1982. Unions, change and crisis: French and Italian union strategy and the political economy, 1945-1980. <https://doi.org/10.4324/9781315625065>
- Lapavitsas, C., Kaltenbrunner, A., Lambrinidis, G., Lindo, D., Meadway, J., Michell, J., Paineira, J.P., Pires, E., Powell, J., Stenfors, A., Teles, N., 2010. The Eurozone between Austerity and Default, RMF occasional report. Research on Money and Finance.
- Lavoie, M., Stockhammer, E., 2013. Wage-led Growth: Concept, Theories and Policies, in: *Wage-Led Growth An Equitable Strategy for Economic Recovery*. ILO and Palgrave Macmillan, London, pp. 13–39.
- Layard, R., Nickell, S., Jackman, R., 1994. *The Unemployment Crisis*. Oxford University Press, Oxford.
- Lazear, E.P., 1990. Job Security Provisions and Employment. *The Quarterly Journal of Economics* 699–726.
- Libération, 1995. Pendant les grèves, le plan Juppé continue. [WWW Document]. Libération.fr. URL [https://www.liberation.fr/evenement/1995/12/13/pendant-les-greves-le-plan-juppe-continue\\_152506](https://www.liberation.fr/evenement/1995/12/13/pendant-les-greves-le-plan-juppe-continue_152506) (accessed 7.22.20).
- Lois Auroux : le résumé complet [WWW Document], n.d. . Site dédié aux élus du Comité Social et économique (CSE). URL <https://www.cse-guide.fr/guide-reforme-code-travail/lois-auroux/> (accessed 10.20.23).
- Lucidi, F., Kleinknecht, A., 2009. Little innovation, many jobs: An econometric analysis of the Italian labour productivity crisis. *Cambridge Journal of Economics* 34, 525–546.
- Lukes, S., 2005. *Power: a radical view*, Second Edition. ed. Palgrave Macmillan, New York.
- Machin, S., 1997. The decline of labour market institutions and the rise in wage inequality in Britain. *European Economic Review, Paper and Proceedings of the Eleventh Annual Congress of the European Economic Association* 41, 647–657. [https://doi.org/10.1016/S0014-2921\(97\)00027-5](https://doi.org/10.1016/S0014-2921(97)00027-5)
- Mainguenaud, P., 2002. France Télécom : d'une régulation administrée à une régulation de marché, in: *Du monopole au marché: les stratégies de modernisation des entreprises publiques*, Textes à l'appui. Découverte, Paris.
- Maurin, E., Postel-Vinay, F., 2005. The European Job Security Gap. *Work and Occupations* 32, 229–252. <https://doi.org/10.1177/0730888405274603>
- MEDEF, n.d. Vue d'ensemble: Découvrir le MEDEF [WWW Document]. MEDEF. URL <https://www.medef.com/fr/qui-sommes-nous/vue-d-ensemble> (accessed 9.7.20).
- Meulders, D., Wilkin, L., 1987. Labour Market Flexibility: Critical Introduction to the Analysis of a concept, in: *Labour Market Flexibility*, 1.
- Ministère du Travail, 2017. BILANS ET RAPPORTS LA NÉGOCIATION COLLECTIVE EN 2016.
- Ministère du Travail, de l'Emploi et de l'Insertion, 2020. Mesure de l'audience pour la représentativité patronale 2017 [WWW Document]. Ministère du Travail, de l'Emploi et de l'Insertion. URL <https://travail-emploi.gouv.fr/dialogue-social/la-representativite-syndicale-et-patronale/article/mesure-de-l-audience-pour-la-representativite-patronale-2017> (accessed 8.18.20).
- Ministère du Travail, de l'Emploi et de l'Insertion, 2017. Mesure d'audience de la représentativité syndicale 2017 [WWW Document]. Ministère du Travail, de l'Emploi et de l'Insertion. URL <https://travail-emploi.gouv.fr/dialogue-social/la-representativite-syndicale-et->

- patronale/article/mesure-d-audience-de-la-representativite-syndicale-2017 (accessed 7.14.20).
- Moss, B.H., 1988. Industrial Law Reform in an Era of Retreat: The Auroux Laws in France. *Work, Employment and Society* 2, 317–334. <https://doi.org/10.1177/0950017088002003003>
- Nickell, S., 1997. Unemployment and Labor Market Rigidities: Europe versus North America. *The Journal of Economic Perspectives* 11, 55–74.
- Nickell, S., Nunziata, L., Ochel, W., 2005. Unemployment in the OECD since the 1960s. What Do We Know? *The Economic Journal* 115, 1–27.
- Nouzille, V., n.d. Quand la CIA finançait ses alliés anti-communistes FO, la SFIO et les pro-européens dans les années d'après guerre..... [WWW Document]. Collectif PCF. URL [http://collectif.pcf17.pagesperso-orange.fr/an08/Publication/CIA\\_ar.htm](http://collectif.pcf17.pagesperso-orange.fr/an08/Publication/CIA_ar.htm) (accessed 7.16.20).
- OECD, 1996. *Employment Outlook 1996*. OECD, paris.
- OECD, n.d. Trade Union Dataset.
- O'Farrell, R., 2010. Wages in the crisis. ETUI Working Paper 3.
- Offerlé, M., 2015. NÉGOCIER AVEC, CONTRE ET DANS LE MEDEF. *Esprit* 114–119.
- Onaran, O., 2011. From Wage Suppression to Sovereign Debt Crisis in Western Europe: Who Pays for the Costs of the Crisis? *International Journal of Public Policy* 7, 51–69.
- Onaran, O., Galanis, G., 2012. Is aggregate demand wage-led or profit-led? National and global effects. International Labour Organization, Conditions of Work and Employment Branch, Geneva.
- Onaran, O., Obst, T., 2016. Wage-Led Growth in the EU15 Member-States: The Effects of Income Distribution on Growth, Investment, Trade Balance and Inflation 40, 1517–1551.
- Oulc'hen, H., 2015. Jean-Paul Sartre nous permet-il de penser les mouvements sociaux aujourd'hui ? [WWW Document]. L'Humanité. URL <https://www.humanite.fr/jean-paul-sartre-nous-permet-il-de-penser-les-mouvements-sociaux-aujourd'hui-573446> (accessed 5.3.21).
- Pak, M., Zilberman, S., 2013. La durée du travail des salariés à temps complet.
- Reich, M., Gordon, D.M., Edwards, R.C., 1973. A Theory of Labor Market Segmentation. *The American Economic Review* 63, 359–365.
- Rougier, L., 1938. *Les mystiques économiques; Comment l'on passe des démocraties libérales aux États totalitaires*. Librairie de Medecis, Paris.
- Saint-Paul, G., 2004. Why are European Countries Diverging in their Unemployment Experience? *Journal of Economic Perspectives* 18, 49–68. <https://doi.org/10.1257/0895330042632672>
- Salesina, M., 2012. L'influence des institutions représentatives du personnel sur les pratiques de gestion des ressources humaines. @GRH 2, 11–36. <https://doi.org/10.3917/grh.121.0011>
- Sarkozy, N., 2012. *Discours de Nicolas Sarkozy au Trocadéro*. Paris.
- Sartre, J.-P., 1960. *Critique de la raison dialectique*, Gallimard. ed.
- Sawyer, M., 2004. The NAIRU, labour market “flexibility”, and full employment, in: *Challenging the Market: The Struggle to Regulate Work and Income*. McGill-Queens University Press, Montreal.
- Scarpetta, S., 1996. Assessin the role of labour market policieis and institutional settings on unemployment: A cross-country study. *OECD Economic Studies* 26, 43–98.
- Scarpetta, S., Tressel, T., 2004. Boosting Productivity via Innovation and Adoption of New Technologies: Any Role for Labor Market Institutions?
- Schmidt, I., 2019. Crisis, ideas, and class: A fresh look at British Labour, French socialists, and German social democrats during the neoliberal wave of accumulation. *Journal of Labor and Society* 22, 509–526. <https://doi.org/10.1111/wusa.12425>
- Siebert, H., 1997. Labor Market Rigidities: At the Root of Unemployment in Europe. *Journal of Economic Perspectives* 11, 37–54. <https://doi.org/10.1257/jep.11.3.37>
- Silver, B., 2014. Theorising the Working Class in Twenty-First-Century Global Capitalism, in: *Workers and Labour in a Globalised Capitalism - Maurizio Atzeni*. Palgrave Macmillan, pp. 46–69. [https://doi.org/10.1007/978-1-137-36134-9\\_3](https://doi.org/10.1007/978-1-137-36134-9_3)
- Solow, R.M., 1998. What is Labour-Market Flexibility? What is it Good for?

- Spencer, D., 2013. Six centuries of vilifying the poor: Stigmatisation of welfare recipients and a lack of concern about low wages has origins in early mercantilist thought. *British Politics and Policy* at LSE. URL <http://blogs.lse.ac.uk/politicsandpolicy/six-centuries-of-vilifying-the-poor/> (accessed 10.29.18).
- Standing, G., 1999. *Global Labour Flexibility: Seeking Distributive Justice*. Palgrave Macmillan.
- Stockhammer, E., 2011. Peripheral Europe's debt and German wages: the role of wage policy in the Euro area. *International Journal of Public Policy* 7, 83–96.
- Stockhammer, E., Onaran, O., 2012. Rethinking wage policy in the face of the Euro crisis. Implications of the wage-led demand regime. *International Review of Applied Economics* 26, 191–203.
- Storm, S., Naastepad, C.W.M., 2009. Labor Market Regulation and Productivity Growth: Evidence for Twenty OECD Countries. *Industrial Relations* 48, 629–654.
- Syndicats, *histoire d'un contre-pouvoir*, 2014.
- Thompson, E.P., 2013. *The making of the English working class*, New edition. ed. Penguin books.
- Tixier, P.-E., 2007. Les mutations de la négociation collective. Le cas de la France. *Négociations* 8, 103–119. <https://doi.org/10.3917/neg.008.0103>
- Ulrich, V., Zilberman, S., 2007. LA RÉDUCTION DU TEMPS DE TRAVAIL : révélateur et source de développement des relations professionnelles en entreprise.
- Umney, C., Greer, I., Onaran, O., Symon, G., 2017. The state and class discipline: European labour market policy after the financial crisis. *Capital and Class* 42, 333–351.
- Vincent, C., 2019. Chapter 11 France: the rush towards prioritising the enterprise level, in: *Collective Bargaining in Europe: Towards an Endgame*. etui.
- Wright, E.O., 2005. *Approaches to Class Analysis*. Cambridge University Press, Cambridge.
- Wright, E.O., 2000. Working-Class Power, Capitalist-Class Interests, and Class Compromise. *American Journal of Sociology* 105, 957–1002.
- Zilloniz, S., 2014. La négociation d'entreprise sur Le temps de travail : une question de contexte et d'acteurs.

## 9 Appendices

### 9.1 Appendix: IRP Orange

List of Institutional Representative Bodies (IRP) in the context of France Télécom:

1. **DP (Délégués du personnel):** Employee representatives
  - Created in 1936
2. **CE (Comité d'entreprise):** Works council or Employee representative body
  - Created in 1945
3. **Délégués syndicaux et section syndicale:** Union Delegates and Union Branch
  - Created in 1968
4. **CHSCT (Comité d'hygiène, de sécurité et des conditions de travail):** Health, Safety and Working Conditions Committee
  - Created by the 1982 Auroux Laws
  - This committee, formerly CHS, had a role of prevention and consultation on occupational risks.
  - From 1982 onwards, the implementation of CHS is allowed if the regional and departmental CTP request it, or if the branch presents higher risks and/or has a large number of staff.
  - In 1993, France Télécom systematically set up CHS (CT) at the regional level to cover its establishments.
5. **CCE (Comité central d'entreprise):** Central Works Council

- The CCE brings together representatives from various works councils in companies with multiple establishments. It is consulted on the economic matters of the company at a more global level.

6. **Comité Etablissement:** Establishment Committee

- The establishment committee operates at the local level for issues specific to a particular establishment. It has similar responsibilities to those of the works council but is limited to the scope of the establishment.

7. **CBE (Comité 'bassin d'emploi'):** Employment Basin Committee

- The CBE aims to involve local economic and social actors through social dialogue in an economic development strategy to improve employment and the development of their territory. It operates at the intermunicipal level and covers a geographic area based on local economic configuration. The CBE is composed of elected officials, business leaders, employee representatives, and representatives from the non-profit sector.

8. **DUP (Délégation unique du personnel):** Single Employee Delegation

- Created in 1993, this law allows companies to gather DP and CE in a unique IRP.

9. **CAP (Commissions administratives paritaires):** Joint Administrative Commissions

- Created in 1946
- They are composed of representatives of the administration and representatives of the staff elected by the agents. They have the role of giving their opinion on issues related to the career of the agents, such as recruitment, promotion, discipline, etc.
- Exists both at the national and regional levels.
- After the 1990s reforms, the CAP lost prominence at France Télécom

10. **CTP (Comités techniques paritaires):** Joint Technical Committees

- Created in 1946
- They have the role of giving their opinion on collective issues related to the organisation and functioning of departments, working conditions, health and safety at work, etc.
- Ceased existing in 1993.
- Exists both at the national and regional levels.

11. **CCP (Commissions consultatives paritaires des contractuels):** Joint Consultative Committees of Contractual Workers

- These are composed of representatives of the administration and employee representatives elected by contractual workers. They are mandatorily consulted on issues of recruitment, discipline, dismissal, etc.

12. **CPCN (Commissions permanentes de concertation et de négociation):** Permanent Commissions of Consultation and Negotiation

- Established in 1993 at both national and regional levels.

13. **CMCN (Commissions mixtes de concertation et de négociation):** Mixed Commissions

- Created within the CPCN.

14. **CLS (Commissions locales de suivi):** Local Monitoring Committees

- Also created within the CPCN, operating at the regional level.

15. **CPCNL (Commissions permanentes de concertation et de négociation locale):** Permanent Commissions of Local Consultation and Negotiation



- They can deal with both the collective management of staff and the organisation of work that does not depend on any territorial body since the disappearance of regional CTPs.

**16. CPN (Comité paritaire national):** National Joint Committee

- Implemented by the decree of December 27, 1996.
- chaired by the company president or their representative,
- comprises an equal number of representatives from France Télécom and personnel.
- They are divided into two colleges: one for civil servant agents and another for agents covered by the collective agreement, including non-permanent agents of public law.
- Addresses various company-related issues, convening at least twice a year to discuss organisational matters, management, company operations, employment and remuneration policies, employee involvement, participation in the company's results, organisation of work, professional training, and more (“Bilan Social des Télécommunications, Exercice 1997,” 1998)

**17. CPCN (Commission paritaire de conciliation nationale):** National Joint Conciliation Commission

- Established by the decree of December 27, 1996.
- Settles disputes over the interpretation of agreements signed with trade unions and to propose modifications if necessary (“Bilan Social des Télécommunications, Exercice 1997,” 1998).
- Includes a representative from each representative trade union that signed the examined agreement, along with representatives from France Télécom, ensuring

parity in the commission("Bilan Social des Télécommunications, Exercice 1997," 1998).

**18. CAP (Commissions administratives paritaires) at the National and Local Levels:** Joint Administrative Commissions

- Created for each category of civil servants at France Télécom by the decree of February 11, 1994.
- They have jurisdiction over recruitment matters, proposals for appointment or refusal of appointment, as well as management or individual disputes related to part-time work, promotion, and disciplinary cases("Bilan Social des Télécommunications, Exercice 1997," 1998)

**19. CCP (Commissions consultatives paritaires) for Contractual Staff at the National and Local Levels:** Joint Consultative Committees

- These have the mission to resolve individual issues and disputes related to the management, career, and discipline of France Télécom personnel covered by the collective agreement and non-permanent agents of public law("Bilan Social des Télécommunications, Exercice 1997," 1998).

**20. National COGAS (Conseil d'orientation et de gestion des activités sociales):** The Council for the Orientation and Management of Social Activities

- A national internal body within the company that defines the policy, ensures the management, and controls all social activities benefiting the personnel of France Télécom SA.
- Tripartite, consisting of 8 representatives from France Télécom SA, 8 representatives designated by representative trade unions, and 8 representatives designated by

national personnel associations(“Bilan Social des Télécommunications, Exercice 1997,” 1998).

**21. CCRAS (Comités de concertation régionale des activités sociales):** Regional Committees for Social Activities Consultation

- Chaired by the regional director or their representative. Responsible for examining the provisional social budget, verifying its consistency with the national policy defined by the Council for the Orientation and Management of Social Activities (COGAS), and monitoring its execution.

9.2 Table 9.1: Civil Service Job Categories

A	Category A positions and entry exams are accessible to people who have obtained a minimum bac+3 diploma.
B	Category B positions and entry exams are accessible to people who have obtained at least the baccalaureate.
C	Category C positions and entry exams are accessible to people who have obtained at least a level 3 diploma (CAP, BEP, Brevet des collèges, etc.).
D	Category D, which did not require a diploma for access, was eliminated from 1988, or 1992 depending on the public service involved and its agents and jobs were absorbed into category C.
Contractuel	A contract civil servant is an employee of the government whose position is determined by a contractual agreement which outlines his or her rights and responsibilities. Contract agents are one of the categories of non-permanent agents in the civil service, along with auxiliaries, temporary workers, trainees and cabinet jobs. Contract agents are different from civil servants.  A contractual agent performs the same functions as a civil servant by definition - meaning they are subject to the same rights and duties.
Auxiliaire	Auxiliaries refer to non-tenured agents in the general sense of the term (all agents other than civil servants)

9.3 Appendix: Classifications of the Orange workers according to the Telecommunications Collective Convention

Group A: This group involves simple, short-term tasks that require practical skills. Workers follow standard rules and procedures, primarily receiving necessary instructions. Knowledge is acquired through basic education.

Group B: The complexity of tasks is relatively simple and can be performed simultaneously. Workers have some autonomy and follow predefined work plans. The impact of their decisions is limited, and they exchange useful information with others.

Group C: Jobs in this group require a combination of practical and theoretical knowledge. Workers have more autonomy within established procedures and their decisions can significantly impact other positions. They engage in exchanging information and suggesting improvements.

Group D: Members of this group organize and coordinate work based on directives and perform complex tasks. They have autonomy with some interpretation of received data, and their decisions have effects on teams or activities. Effective communication and leadership skills are important.

Group E: These jobs involve organising and planning multiple stages of tasks. Workers define procedures, ensuring their application in specific areas. Their decisions can have a significant impact on the entity, and they communicate and persuade in various domains.

Group F: Individuals in this group define objectives and manage projects, considering different parameters. They have autonomy in defining procedures and their decisions impact the entity and potentially other entities. Effective communication and advanced analytical skills are required.

Group G: This group deals with highly complex tasks, contributing to the definition of strategies and action plans. Workers have full responsibility for departments or missions, making decisions that have a determining impact on the company. They master communication and have extensive knowledge and experience.

#### Examples of Jobs

A: Cleaner

B: Assembler

C: Customer account manager

D: Team leader in call centre

E: Lawyer

F: Key account engineer

G: Programme director

## 9.4 Appendix : Collective Agreements

**1992**

### **The profit-sharing agreement**

The triennial profit-sharing agreement, signed on June 24, 1992, with the trade unions, provides for the payment of a bonus to all employees remunerated by France Télécom. It is awarded based on both local and national results.

## **1993**

### **The agreement on trade union rights:**

This agreement was signed on 14th May 1993 by CFDT, CFTC, and CGC, and also by FO (excluding annex). It focuses on the principles adopted by France Télécom regarding:

- The assessment of trade union representativeness at France Télécom.
- The conditions for exercising trade union rights.
- The professional situation of trade union representatives.

### **The agreement on new consultation and negotiation structures:**

This agreement, signed on 8th July 1993 by CFDT, CFTC, and CGC, aims to organise the contractual policy, negotiation, and consultation at various levels of France Télécom. It establishes the establishment and functioning of new consultation and negotiation structures, particularly the implementation of local permanent consultation and negotiation committees (CPCN locales).

### **The agreement of 26th November 1993 on salary measures:**

This agreement pertains to the year 1993 for employees subject to the collective agreement regime. Two amendments on 5th January and 2nd July 1993 modified certain articles of the common agreement between La Poste and France Télécom.

**Consultation and social negotiation:**

During the year 1993, the permanent consultation and negotiation committee met three times under the chairmanship of the General Director. During these meetings, two national joint committees were created:

- The national joint committee on remuneration on 21st January 1993, with the objective of analysing the structure and components of remuneration, as well as the future of current bonuses and allowances.
- The national joint committee on gender equality on 22nd April 1993, with the objective of preparing a report on the comparative situation of general employment and training conditions for men and women at France Télécom.

Various bilateral and plenary meetings were conducted in 1993 by functional departments on national projects such as RESEDA (reorganisation of the commercial network), multi-machine groups, and GAMMA (single point of contact for after-sales service). Additionally, 21 local negotiation joint committees were created with the agreement of the Human Resources Department, focusing on topics within the competence of the relevant department heads. The Joint Technical Committee (CTP) met three times to examine draft decrees.

**1994**

**The agreement on disabled workers:**

Signed on 16th June 1994 by CFDT, CFTC, CGC, and FO, this three-year agreement aims to promote and strengthen the recruitment of disabled individuals by France Télécom through a proactive and decentralized policy. It establishes the conditions that will enable disabled workers to find their place in the professional environment based on their skills and abilities.

**The apprenticeship agreement:**

This agreement, signed on 6th July 1994 by CFDT, CFTC, and CGC, allows France Télécom to welcome over 250 apprentices since the 1994 academic year, with a planned increase to 500 in 1995. Through this agreement, France Télécom expresses its commitment to contribute to the professional integration of young people by providing them with proper training for specific professions and associated qualifications. The company also pledges to assist them in their job search upon successful completion of their training. Some of them may be recruited by the company or its subsidiaries as part of their human resources management.

**The 1994 salary agreement for employees covered by the collective agreement:**

A salary agreement was signed on 12th July 1994 by CFDT, CFTC, CGC, and the National Union of Contractual Workers. This agreement applies to all employees covered by collective agreements. It includes two general salary increases for employees and executives in 1994, as well as individualized increases for senior executives.

**1995**

**The profit-sharing agreement:**



Signed on 3rd April 1995 by CFDT, CFTC, and FO, this three-year agreement aims to involve all employees in the company's results, both economically and in terms of service quality. For the first time, a portion of this profit-sharing has been negotiated based on decentralized indicators specific to each regional department and certain national services.

**The salary agreement for employees covered by the collective agreement:**

Signed on 8th November 1995 by CFDT, CFTC, CGC, and the National Union of Contractual Workers of France Télécom SNC, this agreement applies to all employees covered by the collective agreement. It includes general salary increases for agents (levels I.1 to II.3), general and individual salary increases for executives (levels III.1 to III.3), and individual salary increases for engineers and senior executives (levels IV.1 and above) in 1995.

**The thematic agreement on the implementation of end-of-career adjustment measures:**

Signed on 30th November 1995 by CFDT, CFTC, CGT, and FO, this three-year agreement reflects the desire of France Télécom and the signing trade unions to prepare the necessary skills in the medium and long term to promote the development and adaptation of human resources, the recruitment of young people, and the transfer of skills from experienced employees while working in favor of employment at the national level. It includes the following provisions:

- The development of a specific part-time arrangement called 'support and assistance,' remunerated at 70%, which offers employees voluntarily aged over 57 the opportunity to engage in new forms of activity (mentoring, consulting, etc.) during their end of career. This arrangement is accompanied by France Télécom's commitment to hire 7 young people and fulfill 3 internal mobility requests for every 10 individuals who choose the 'support and assistance' activity.

- An extension of gradual retirement for personnel under collective agreements, coupled with an expansion of part-time work arrangements.
- The principle of creating a time savings account.

## **1996**

### **The salary agreement for employees covered by the collective agreement:**

Signed on 18th July by CFDT and CFTC, this agreement provides for general salary increase measures for employees at levels I.1 to II.3 and general and individual salary increase measures for executives at levels III.1 to III.3. It also includes individual salary increase measures for engineers and senior executives at level IV.1 and above for the year 1996.

### **The agreement on the creation of an end-of-career leave for all France Télécom employees:**

Signed on 2nd July by CGC and FO, this agreement strengthens the possibilities for all France Télécom employees to arrange their end of career. It allows them to cease their professional activity from the age of 55. It demonstrates the company's commitment to developing its social policy through contractual means. This agreement meets the desire of some employees to anticipate their retirement, promotes age diversity by opening up recruitment opportunities for young people, better meets employees' mobility requests, and improves promotion prospects. This program, made possible by the law on the creation of the national enterprise France Télécom, is open for a duration of 10 years.

## **1997**

1) Social agreement signed on January 9th between France Télécom SA and CFDT, CFTC, CGC, and FO.

This agreement has received 70 signatures at the local level.

2) Profit-sharing agreement 1009 197990 8999, signed on May 26th between France Télécom SA and CFDT, CFTC, CGC, and FO. This agreement has already received 57 signatures at the local level.

3) Salary agreement for employees under the collective agreement of France Télécom, signed on July 8th between France Télécom SA and CFDT, CFE-CGC, CFTC, FO, and SNC.

4) Profit-sharing agreement signed on November 19th between the France Télécom Group and CFDT, CFE-CGC, CFTC, and FO.

5) Company agreements establishing the implementation of collective guarantee systems for the reimbursement of medical expenses, death, disability, for employees under the collective agreement, signed on December 18th between France Télécom SA, CFTC, CFDT, FO, and SFE CGC.

## **1998**

The salary agreement for employees under the collective agreement of France Télécom was signed on July 8th, between France Télécom SA and CFDT, CFE-CGC, CFTC, and FO.

## **1999**

- The salary agreement for private employees of France Télécom SA was signed on April 8th, for the year 1999, by CFDT, CFE-CGC, CFTC, and FO.

- The extension of the social agreement on the professional integration of young people, job promotion for employees (closing parenthesis) for an indefinite duration, was signed at the beginning of 1999 by CFDT, CFE-CGC, CFTC, and FO. The same organizations also signed the extension of the

thematic agreement from November 30, 1995, which focuses on the implementation of career end arrangements in favor of employment.

- The second national amendment of the profit-sharing agreement for employees of France Télécom SA was signed on May 5th, 1999, by the organizations that subscribed to the triennial agreement of 1997, namely CFDT, CFECGC, CFTC, and FO. Note that the allocation of profit-sharing to employees cannot be done without union signatures.
- The National Union of Telecommunication Enterprises (UNETEL) and CFDT, CFE-CGC, CFTC, and FO signed an agreement on working time adjustment and reduction on June 4th, 1999. This agreement, which is part of the construction of a collective bargaining agreement applicable to private employees of France Télécom, was implemented starting from September 1st, 1999.
- UNETEL and the audiovisual sector, along with CFDT, CFE-CGC, CFTC, CGT, and FO, signed a quadripartite agreement in October 1999, creating OCTA Auvicom, which deals with professional training in the two sectors.

## **2000**

- The national agreement on organization, adaptation, and reduction of working time - the agreement for all - was signed on 2nd February 2000 by CFTC, CFE-CGC, and FO. The agreements negotiated and signed at the local level specify the changes in work organization and the modalities of taking time off in each entity.
- The salary agreement concerning private employees of France Télécom SA was signed on 31st March for the year 2000 by CFDT, CFE-CGC, CFTC, and FO.
- The national profit-sharing agreement for 2002, referred to as Agreement 1001 and 2002, was signed on 4th April by CFDT, CFE-CGC, CFTC, and FO. Its implementation in operational units resulted in 333 local agreements.

- The amendment to the joint agreement regarding the amount of collective minimum wages was signed on 7th July by CFDT, CFE-CGC, CFTC, and FO.
- The agreement on the opening of an intranet site - union space - to the most representative trade unions of all employees was signed during the summer by CFDT, CFE-CGC, CFTC, CGT, FO, and SUD.
- The national collective bargaining agreement for the telecommunications sector was signed by two employer organizations (UNETEL and RST) and by CFDT, CFE-CGC, CFTC, and FO. This agreement was extended by decree to the France Télécom group in October for effective implementation on 1st November. It applies to a significant majority of private employees within the group.

## **2001**

### **At France Télécom SA or at the France Télécom Group level:**

- Salary agreement concerning private employees of France Télécom SA, signed on 11th May 2001 for the year 2001 by CFDT, CFTC, and CFE-CGC.
- Group insurance agreement, signed in February 2001 by CFDT, CFTC, and FO, establishing a system of collective guarantees for death, disability, incapacity, and medical expense reimbursement.
- Insurance agreement applicable to all private employees of FTSA, signed on 31st March 2001 by CFDT, CFE-CGC, CFTC, FO, and SUD.
- Amendment to the three-year national profit-sharing agreement, signed on 7th May 2001 by CFDT, CFE-CGC, CFTC, and FO. Its implementation in operational units resulted in 255 local agreements.
- Amendment modifying the calculation formula of the special participation reserve, signed on 29th June 2001 by CFDT, CFTC, CFE-CGC, and FO.
- Extension of the CFC agreement for private employees, signed by FO in July 2001.

- Agreement regarding the creation within group entities, signed on 25th July 2001 by CFDT, CFTC, CFE-CGC, FO, and SUD.

- Amendment to the agreement regarding the opening of an intranet site "union space" to the most representative trade unions of all employees, signed during the summer by CFDT, CFE-CGC, CFTC, CGT, FO, and SUD.

## **2002**

- Creation of a group of executive positions at level ? for employees under private law agreements, signed by CFDT, CFE-CGC, and FO.

- Agreement concerning the resources of trade unions at FTSA, signed in January 2002 by CFDT, CFTC, and FO.

- Salary agreement concerning private employees of France Télécom SA, signed by CFTC, CFE-CGC, and FO.

Local social dialogue was concluded in 2002 through the signing of 226 amendments to the national profit-sharing agreement.

## **2006**

The social negotiations have resulted in the conclusion of the following agreements:

FT Agreements:

- Profit-sharing agreement 2006-2008 at FTSA, signed on June 30, 2006.
- Salary agreement at FTSA, signed on March 21, 2006.

- Renewal agreements for Title II of the July 2, 1996 agreement regarding the creation of a post-career leave for FTSA personnel, signed on March 2, 2006 (ACO).
- Collective Retirement Savings Plan (PERCO) agreement.

#### Elections/Employee Representative Bodies (IRP):

- Amendment to the July 13, 2004 agreement on the establishment and functioning of IRPs within FTSA, dated September 28, 2006.
- Agreement on the adaptation of IRPs following the creation of the Economic and Social Unit (UES) between FTSA and Orange SA, dated November 6, 2006.
- First amendment to the January 13, 2005 agreement on the employer's contribution to social and cultural activities and their transfer of management from FTSA to the Works Councils (CE), dated February 7, 2006.
- Third amendment to the July 13, 2005 agreement on the employer's contribution to social and cultural activities and their transfer of management from FTSA to the European Works Councils (CEE), dated November 20, 2006.
- Protocol on the practical modalities and organization of negotiations on IRPs, dated July 4, 2006.
- Elections of Works Councils (CE) and Employee Representatives (DP) at FTSA on January 11, 2007 - definition of the number and composition of the electoral college, dated October 23, 2006.
- Agreement dated December 15, 2006, regarding the organization of the transition between the Central Works Council (CCE) and Works Councils (CE) for the old and new terms of office 2007-2009 within FTSA.

## 2008

Social negotiations have resulted in the following agreements:

France Télécom SA Agreements:

- Amendment to the FTSA collective welfare agreement dated May 31, 2001, as of November 25, 2008.
- Second amendment to the FTSA profit-sharing agreement for 2006-2007 and 2008, dated June 27, 2008.
- FTSA salary agreement for 2008, dated April 14, 2008.
- FTSA agreement regarding the unlocking of participation rights, dated March 17, 2008.
- Sixth amendment to the IRP agreement of July 13, 2004 (modified by amendment of September 28, 2006) concerning the project "Operational Reorganization of DT Caraïbes," dated January 30, 2008.

France Télécom Group Agreements:

- Amendment to the cadre agreement of February 27, 2001, establishing collective guarantees for "death-disability-invalidity" and reimbursement of medical expenses within the FT Group, dated November 25, 2008.
- First amendment to the GPEC negotiation protocol, dated July 1, 2008.
- Agreement regarding the supplemental profit-sharing for the year 2007 for FT Group employees, dated May 5, 2008.
- GPEC negotiation protocol for 2008-2011, dated March 25, 2008.
- Second amendment to the agreement of April 6, 2006, establishing a collective Retirement Savings Plan within France Télécom Group, dated February 22, 2008.



UES France Télécom SA - Orange France SA - Orange Distribution SA - Orange Réunion SA Agreements:

- Agreement concerning the use of company email by trade unions during the professional elections campaign, dated October 30, 2008.

- Elections of Works Committees and employee representatives within UES FT SA, OF SA, OD SA, OR SA: framework agreement defining the allocation of personnel and seats in the electoral colleges and practical modalities of the ballot, dated October 30, 2008.

- Agreement on the structure of representative bodies within the UES, dated July 2, 2008.

- Agreement on the date of the 2009 elections and the duration of mandates for employee representatives within UES FT SA, OF SA, OD SA, OR SA, dated June 19, 2008.

- First amendment to the agreement on the scope and evolution of the UES, dated June 19, 2008.

- Elections of Works Committees and employee representatives within UES FT SA, OF SA, OD SA, OR SA: definition of the number and composition of the electoral colleges, dated February 4, 2008.

## **2010**

Social negotiations have resulted in the following agreements:

France Télécom SA Agreements:

- April 26, 2010: FTSA 2010 salary agreement.

- June 30, 2010: Amendment No. 1 to the FTSA 2009-2010-2011 profit-sharing agreement.

France Télécom Group Agreements:

- March 5, 2010: First agreement on work-life balance.

- March 5, 2010: Agreement on fundamental principles: perspective, employment and skills, professional development, training, mobility.

- April 14, 2010: Amendment No. 4 to the April 6, 2006 agreement establishing a collective retirement savings plan within France Télécom Group.
- April 30, 2010: Amendment to the November 19, 1997 participation agreement of France Télécom Group.
- May 6, 2010: Agreement on the supplemental profit-sharing for 2009 for FTSA employees.
- May 6, 2010: First Group agreement on the functioning of employee representation bodies.
- May 6, 2010: Agreement on the evaluation and prevention of risks related to psycho/social risks in the workplace.

Global Agreement:

- October 3, 2010: Agreement concerning the Worldwide Group Committee of France Télécom.

## **2012**

Social negotiations have resulted in the following agreements:

France Télécom SA Agreements:

- April 19, 2012: FTSA 2012 salary agreement.
- June 29, 2012: FTSA 2012-2013-2014 profit-sharing agreement.
- July 19, 2012: Amendment to the agreement on the means of trade unions and the exercise of trade union rights at FTSA, dated July 13, 2004.
- November 5, 2012: Agreement on the implementation of electronic voting within France Télécom SA for the 2013 CCP elections.

#### France Télécom Group Agreements:

- February 10, 2012: Amendment to the April 6, 2006 agreement establishing a collective retirement savings plan within France Télécom Group.
- February 10, 2012: Amendment No. 3 to the participation agreement of France Télécom Group, dated November 19, 1997.
- April 2, 2012: Amendment to the April 6, 2006 agreement establishing a collective retirement savings plan within France Télécom Group.
- April 20, 2012: Amendment No. 3 to the agreement on the employment of seniors and measures in favor of second career phases.
- June 14, 2012: Amendment dated June 14, 2012 to the telework agreement.
- October 19, 2012: Amendment to the agreement on the management of employment and skills forecasting, dated March 31, 2011.
- December 13, 2012: Amendment dated December 13, 2012 to the telework agreement.
- December 31, 2012: Agreement on the employment of seniors and measures in favor of second career phases.

#### **2013**

#### Orange SA Agreements:

- April 26, 2013: Salary agreement.
- June 30, 2013: Amendment No. 1 to the Orange SA 2012-2014 profit-sharing agreement.
- December 9, 2013: IRP Portal agreement.

- December 20, 2013: Substitution agreement related to the merger of Orange France SA into Orange SA.

France Télécom Group Agreements:

- March 15, 2013: Amendment No. 1 to the agreement in favor of people with disabilities.
- March 29, 2013: Amendment to the April 6, 2006 agreement establishing a collective retirement savings plan within Orange Group.
- April 10, 2013: Methodological agreement for the management of major real estate projects.
- May 17, 2013: Telework agreement.
- June 7, 2013: Agreement on the implementation of electronic voting within the Group for the 2013 Board of Directors elections.
- June 30, 2013: Group profit-sharing agreement.
- September 13, 2013: Amendment to the profit-sharing agreement concerning exceptional release of funds in 2013.
- September 27, 2013: Intergenerational agreement.
- December 4, 2013: Amendment to the framework agreement on insurance and healthcare expenses.

**2014**

Social negotiations have led to the conclusion of the following agreements:

Orange SA Agreements:

- April 18, 2014: Salary agreement, signed by CFDT and FO.
- June 30, 2014: Amendment No. 2 to the 2012/2014 profit-sharing agreement, signed by CFDT, CFE-CGC, and FO.
- July 9, 2014: Agreement on gender equality in the workplace, signed by CFDT, CFE-CGC, FO, and SUD.
- July 11, 2014: Agreement on employee access to fixed telephone and internet offers, signed by CFDT and FO.

UES Agreements:

- January 31, 2014: Agreement on the key principles of implementing electronic voting for CE/DP/CEP elections, signed by CFDT and CFE-CGC.
- February 18, 2014: Agreement on the duration of mandates for employee representatives in the UES for the 2014/2017 term, signed by CFDT, CFE-CGC, FO, and SUD.
- March 7, 2014: Agreement on the organization of employee representative elections in the UES, signed by CFDT, CFE-CGC, CFTC, FO, UNSA, and Regional Union France Télécom 97-4.
- April 22, 2014: Amendment No. 3 to the agreement on the scope of the UES, signed by CGT, FO, SUD, CGT Orange Promotion, and SUD Orange Caraïbes.
- June 13, 2014: Amendment No. 5 to the agreement on the architecture of employee representative bodies, signed by CFDT, CFTC, FO, SUD, STC, and UNSA.
- July 4, 2014: Unanimous agreement on the single college within the framework of CE/DP elections.
- July 10, 2014: Sealing agreement, signed by CFDT, CFTC, CGT, FO, SUD, and UNSA.
- July 10, 2014: Framework agreement protocol on practical modalities of the ballot, signed by CFDT, CFTC, FO, and SUD.

- October 6, 2014: Framework agreement protocol defining the distribution of personnel and seats in electoral colleges, signed by CFDT, CFTC, FO, SUD, STC, and UNSA.

France Télécom Group Agreements:

- January 24, 2014: Unanimous agreement on employment and the inclusion of people with disabilities.

- February 21, 2014: Amendment No. 2 to the GPEC agreement, signed by CFDT and CFE-CGC.

- February 25, 2014: Agreement on apprenticeships and internships, signed by CFDT and CFE-CGC.

- September 9, 2014: GPEC agreement, signed by CFDT and CFE-CGC.

- September 18, 2014: Amendment to the PERCO agreement allowing the transfer of rights from the CET to the PERCO, signed by CFDT, CFE-CGC, and FO.

Global Group Agreement:

- November 21, 2014: Global agreement on health and safety.

## **2016**

In 2016, Orange held 88 meetings with the trade unions within the scope of France and 3 meetings within the scope of the global organisation, totalling 91 meetings, to sign 11 agreements:

Orange SA Agreements:

- Salary agreement for 2016 at Orange SA, signed by CFDT and FO.

- Amendment No. 1 to the 2015-2017 profit-sharing agreement, signed by CFDT, CFE-CGC, FO, and SUD.

- Amendments to the agreement of July 13, 2004, as well as to the ASC agreement of January 13, 2005, signed by CFDT, CGT, FO, and SUD.

#### UES Orange Agreements:

- Agreement on the implementation of Law No. 2015-994 of August 17, 2015, concerning social dialogue and employment, signed by CFDT, CFE-CGC, CGT, and FO.
- Amendment to the agreement on the employment of people with disabilities, signed by CFDT, CFE-CGC, CGT, FO, and SUD.

#### France Télécom Group Agreements:

- Amendment to the PERCO agreement of April 6, 2006, setting the employer's contribution for the year 2016, signed by CFDT, CFE-CGC, and FO.
- Amendment to the cadres Agreement of February 27, 2001, establishing collective guarantees for death, incapacity, disability, and medical expense reimbursement within the Orange Group.
- Methodological agreement on workload assessment and adaptation, signed by CFDT, CFE-CGC, and FO.
- Agreement on support for digital transformation, signed by CFDT, CGT, and FO.
- Amendment to the PERCO agreement of April 6, signed by CFDT and FO.

## **2017**

In 2017, we had 78 meetings with the trade unions within the scope of France and 3 meetings within the scope of the global organization, totaling 81 meetings, to sign 22 agreements:

#### Orange SA Agreements:

- Agreement on the resources for the Representative Bodies of Orange SA (CFDT, FO, and Sud).
- Agreement on the recognition of skills and qualifications, signed by CFDT, CFE-CGC, and FO.
- Salary agreement for 2017, signed by CFDT and FO.
- Amendment No. 2 to the 2015-2016-2017 profit-sharing agreement, signed by CFDT, CFE-CGC, FO, and SUD.
- Amendment to the agreement on gender equality between women and men within Orange SA, signed by CFDT, FO, and SUD.
- Collective agreement establishing a complementary reimbursement scheme for "healthcare expenses" for civil servants and public law contract agents of Orange SA, signed by CFDT, CFE-CGC, FO, CGT, and SUD.

#### UES Orange Agreements:

- Agreement on the resources for the Trade Union Organizations of UES Orange (CFDT, FO, and Sud).
- Agreement on the duration of mandates for employee representatives of UES Orange for the 2017-2020 term (CFDT, CFE-CGC, FO, and SUD).
- Agreement on the implementation of electronic voting for the 2017 CE/DP elections of UES Orange (CFDT and CFE-CGC).
- Agreement implementing the provisions of the Rebsamen Law regarding IRPs within UES.
- Amendment No. 4 to the agreement on the scope of UES of December 10, 2007, concerning the scope of UES for the 2017-2020 term (CFDT, FO, and SUD).



- Agreement on the date of CE-DP 2017 elections for employee representatives of UES Orange (CDMT, CFDT, CFDT Orange Caraïbe, CFE-CGC, CFTC, FO, STC, and UNSA).
- Agreement on the single college in the context of establishment committees and employee representatives of UES Orange (CFDT, CFE-CGC, CGT, FO, and SUD).
- Agreement on the structure of Representative Bodies within UES (CDMT, CFDT, CFDT Orange Caraïbe, CFTC, CTU, FO, STC, SUD, SUD Caraïbes, and UNSA).
- Agreement for employment, inclusion of people with disabilities, and fight against discrimination 2017-2019, signed by CFDT, CFE-CGC, CGT, FO, and SUD.
- Agreement on the organization of sealing, surveillance of the electronic voting system, and vote counting for the 2017 CE/DP elections (CDMT, CFDT, CFDT Orange Caraïbe, CFE-CGC, CFTC, CTU, FO, Orange Ensemble, STC, SUD, SUD Caraïbe, and UNSA).
- Framework agreement (part 1) (CDMT, CTU, CFDT, CFDT Orange Caraïbe, CFE-CGC, CFTC, FO, Orange Ensemble, STC, SUD, SUD Caraïbe, and UNSA).
- Framework agreement (part 2) (CDMT, CTU, CFDT, CFDT Orange Caraïbe, CFE-CGC, CFTC, FO, Orange Ensemble, and UNSA).

France Télécom Group Agreements:

- Amendment No. 1 to the initial Group agreement on employee representation of May 6, 2010 (CFDT, FO, and SUD)

**2017**

#### Orange SA Agreements:

- Agreement on gender equality between women and men and work-life balance within Orange SA for the period 2018-2020, signed by CFDT, CFE-CGC, CGT, FO, and SUD.
- Agreement on the Mobility Plan 2018-2021, signed by CFDT, FO, and Sud.
- Anticipated agreement for the adaptation of collective guarantees for Equant France SA employees transferred within the framework of the merger-absorption of Equant France SA into Orange France SA.
- Amendment to the agreement of July 11, 2014, concerning the access conditions of Orange SA employees to fixed telephone and internet offers, signed by CFDT and FO.
- Profit-sharing agreement 2018-2020, signed by CFDT, CFE-CGC, FO, and SUD. Amendment No. 2 to the Orange SA collective welfare agreement of May 31, 2001, signed by CFDT, FO, and SUD.

#### UES Orange Agreements:

- Agreement on the scope of UES Orange and the effective date of mandates within the framework of the first CSE term, signed by CFDT, FO, and SUD.

#### France Télécom Group Agreements:

- Amendment relating to the 2018 PERCO matching contribution. Amendment of March 2, 2018, concerning the PERCO matching contribution, signed by CFDT, CFE-CGC, and FO.
- Amendment to the framework agreement of February 27, 2001, establishing collective guarantees and reimbursement of medical expenses within the Orange Group, signed by CFDT, CFE-CGC, and FO.
- Intergenerational agreement 2019-2021, signed by CFDT, CGT, and FO.

## 9.5 Appendix: Interview Questions

### Introduction

1. What years did you work for France Telecom?
  - a. What were the jobs you held?
  - b. What roles did you have in the collective bargaining process?

### Unionisation

2. How has the union presence changed during the years you worked for France Telecom?
  - a. Has the unionisation rate changed?
  - b. Have the unions at company level changed?
  - c. What facts and figures are you able to provide regarding collective bargaining and union membership over the past 50 years within the company?
3. How has the role of the union(s) changed?

### Negotiations

4. Were you working for a company in the 1970s?
  - a. If so, what changes in collective bargaining can you identify before and after the Auroux laws (1982)
  - b. If not, would you have a secondary account of how collective bargaining worked before 1982?
  - c. Would you be able to put me in touch with someone else who could answer this question?
5. Who negotiates for the workers?
  - a. Rather women or men?
  - b. Executives, workers or technicians?
  - c. Do you have any specific figures?
6. Who are the workers most represented in the negotiations?
  - a. What are the most discussed topics

- b. How has this changed over time?
7. Have you seen a growth in collective bargaining?
    - a. Do you have any statistics on that?
    - b. How did you observe it?
    - c. How did you experience the increase/change in collective bargaining ?
  8. Does the employer take advantage of divisions between workers during negotiations?
    - a. If so, how?
  9. Are divisions between employees accelerated with the increase in collective bargaining coverage?
  10. How has the 2008 Law on Trade Union Representativeness changed the bargaining landscape?
  11. Would you say that decentralisation and the expansion of collective bargaining have made negotiations less meaningful?
  12. What have been the negative impacts of the increase in collective bargaining?
    - a. Can you identify the impacts among different categories of workers?
      - i. Women
      - ii. Ethnicity/religion
      - iii. Precarious jobs (interns, fixed-term contracts, part-time work, etc.)
      - iv. Youths
      - v. Skill level/education
      - vi. Workers/managers
  13. In your opinion, which sectors (or companies) best represent the negative impact that the increase in collective bargaining has had on workers?
  14. To what extent the high rate of bargaining contributes to making workers complacent with the capitalist system of wage exploitation
  15. To what extent would you say that the expansion of bargaining has contributed to a more intense division among workers?

#### Power

16. How has power dynamics changed at the bargaining table due to decentralization and increased collective bargaining?
  - a. Have you been in a situation where the negotiations took place unilaterally?
  - b. Would you say that decentralization and increased collective bargaining has allowed a redistribution of power in favor of capital?

### Flexibilisation

17. Have you seen a more flexible workplace?
  - a. If so, in what ways?
  - b. Has this contributed to dividing workers?
18. Would you say that decentralization and increased collective bargaining have allowed bosses to negotiate more flexibility within the company?
19. To what extent would you say that flexibilization has contributed to a more intense division between workers?

### Conclusions

18. Is there anything you would like to add that has not already been mentioned in the previous questions?
17. Would you be able to put me in touch with a person or people who could respond to a similar interview?