

ADJUSTMENTS IN EMPLOYMENT AND WAGES IN FRANCE: CONCESSIONS BARGAINING IN A TIME OF CRISIS

Noélie DELAHAIE
Coralie PEREZ

ABSTRACT

In the aftermath of the financial and economic crisis, the implementation of the new European economic governance from 2010-2011 has weakened national collective bargaining systems. In the French case, the economic crisis did not break the industrial relations system but it reinforced changes in employment relations within firms. Indeed, workers and their unions' representative may have agreed upon new rules of labour flexibility and of wage policies at firm-level in order to safeguard jobs. This paper aims at assessing the roles played by employers and trade unions in concessions bargaining in times of crisis among French Firms. It also questions the way union representatives have participated in decisions of adjustment and whether they have softened managerial strategies.

From a methodological point of view, we investigate the dynamism of concessions bargaining by relying on cross referencing of the REPNONSE 2010-2011 survey (provided by French Ministry of Labour) on French industrial relations between 2008 and 2010 and of fifteen case studies conducted in French establishments (which answered to the REPNONSE survey), mostly in the manufacturing sector and members of a corporate group.

Firstly, we analyse the REPNONSE 2010-2011 survey in order to draw an overview of the context of collective bargaining at firm-level on employment and wages adjustments. We also provide descriptive statistics on the main features of establishments according to the influence of group headquarters on decisions in terms of employment and wages and on the nature of industrial relations. Secondly, case studies are introduced in order to make a comprehensive analysis on conditions that favour concessions bargaining. We identify the content of collective bargaining in terms of trade-offs and whether these latter are more or less reciprocal and reversible. Case studies confirm that employment and wages adjustments result often from 'formal' collective bargaining since these subjects are legally bound by terms of agreement. Nevertheless, in this case, the influence of union representatives on the outcomes remains weak. Beyond that, we show the significance and the dynamism of 'informal' collective bargaining, which result from non-binding process of negotiations. More precisely, three configurations of concessions bargaining are identified. The first one gathers



establishments in which employers and union representative had intensive informal discussion on labour flexibility (short- working time, agency contracts, internal mobility schemes, etc.). Here union representatives are able to soften managerial decisions in terms of adjustment. In the second configuration, collective bargaining lead to irreversible concessions, suggesting that crisis seems to be a catalyst of managerial decisions made for a long time. The last configuration reveals that managers use adjustments on employment as 'blackmail' while unions representative tend to behave with resignation.

Finally, the analysis suggests that the economic and financial crisis may have been favourable for concessions bargaining among French firms. Concession is obviously intrinsic to bargaining process but the outcomes depend on the power relationship between employers and trade unions.

Noélie Delahaie - Institut de Recherches Economiques et Sociales (IRES) | noelie.delahaie@ires.fr

Coralie Perez - Centre d'Economie de la Sorbonne, University of Paris 1 Panthéon-Sorbonne
| coralie.perez@univ-paris1.fr